Daily Report

Latin America

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FBIS-LAT-91-220 *14 November 1991*

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Mercosur Economy Ministers Meet in Rio

PY0911200091 Asuncion HOY in Spanish 9 Nov 91 p 10

[Report by Gustavo Barrios]

[Text] Economy ministers and Central Bank chairmen from Mercosur [Common Market of the South] countries signed last night at the Copacabana Palace Hotel in Rio de Janeiro an agreement reasserting their intention to continue making efforts to achieve the integration of Southern Cone countries.

The second meeting of economy ministers and Central Bank chairmen of Mercosur countries was chaired by Economy Minister Marcilio Marques Moreira. Argentine Economy Minister Domingo Cavallo; Uruguayan Economy Minister Enrique Braga; and Paraguayan Finance Minister Juan Jose Diaz Perez were also present at the meeting.

The issues discussed during the daylong meeting centered on the need for a unified customs policy to facilitate the passage of people between countries; trade in border areas; and customs offices. It was announced that a solution to this problem will be submitted for consideration at a meeting of Mercosur presidents and economy ministers to be held in Uruguay from 13 to 16 December.

Mercosur economy ministers and Central Bank chairmen agreed that integration cannot be achieved without economic stability. In view of this, they noted the need to adopt fiscal, monetary, and exchange policies—among other macroeconomic indicators—aimed at achieving the economic stability of the region.

It was mentioned that the Mercosur integration process will be greatly hampered if Brazil does not overcome its current economic situation. It also was added that the primary surplus based on economic principles should be improved, that is, annual expenses should not exceed the budget and they should be made in keeping with annual income.

In addition, the Mercosur economy ministers and Central Bank chairmen reasserted the importance of intensifying the coordination of Mercosur countries in the GATT Uruguay Round. The delegations also agreed that the GATT's antidumping [preceding word in English] and subsidies code should be enforced in the trade of agricultural products.

They will recommend that Sub-Group No. 1 in charge of trade affairs study antidumping and countervailing custom duties measures, which were adopted by one of the Mercosur countries, for their enforcement in other Mercosur member countries.

The importance of the private sector's participation was also stressed in view of its participation in the subworking groups.

The agenda included the study of economic stability programs adopted in each country. It also included the study of trade and tax problems that must be resolved for the gradual lifting of custom barriers on regional trade, with the ultimate objective of putting Mercosur in operation by 1995.

It must be noted that during the first meeting of economy ministers in Montevideo, Uruguay, in June, it was agreed that Mercosur members are free to adopt domestic policies but that these must seek the common objective of reducing the fiscal deficit, opening the economy, and combating inflation.

Customs Calendar Established

PY1111154891 Asuncion ULTIMA HORA in Spanish 9 Nov 91 p 12

[By special correspondent Hector Sandoval in Rio de Janeiro]

[Excerpt] The second meeting of economy ministers and Central Bank presidents of the Common Market of the South (Mercosur) decided last night in Rio de Janeiro to reduce the custom duties in each of their countries by 47 percent on 30 November. The main concern expressed during the meeting was the economic instability of some of the member countries, particularly Brazil.

After an intense day of work, the main economic authorities of Argentina, Brazil, Paraguay, and Uruguay decided that the reduction of custom duties should begin by 30 November with a 47 percent reduction. They must then be reduced by 54 percent on 1 January 1992, and then continue being reduced every three months, as established in the Treaty of Asuncion.

The meeting in Rio de Janeiro, whose Paraguayan attendants were Finance Minister Juan J. Diaz Perez, Central Bank President Jose E. Paez, Industry Under Secretary Ruben Fadlala, Finance Studies Under Secretary Celso Romero, and Ovidio Otazu, member of the Central Bank board of directors, established a calendar for the progressive reductions of customs duties.

The calendar establishes that customs duties will be reduced by 47 percent by 30 November; 54 percent by 31 December 1991; 62 percent by 30 June 1992; 75 percent by 31 December 1992; 78 percent by 31 June 1993; 82 percent by 30 December 1993; 89 percent by 30 June 1994; and total reduction, that is 100 percent, by 31 December 1994. [passage omitted]

Concern for Brazil's Economic Crisis

PY1111211091 Asuncion NOTICIAS in Spanish 9 Nov 91 p 9

[By special correspondent Juan Carlos Salinas in Rio de Janeiro]

[Text] Rio de Janeiro—Paraguay and Uruguay, Mercosur's [Common Market of the South] smallest countries,

have questioned and expressed their "concern" over the magnitude of the Brazilian economic crisis and have pointed out that achievement of the integration process depends on overcoming this crisis. Argentina, the region's other large country, used a rather "moderate" tone, although, in the lobbies, it also questioned the current macroeconomic policy in Brazil.

Discussing the aforementioned issue, Finance Minister Juan Jose Diaz Perez, the Paraguayan representative, was very emphatic in his criticism of Brazil's foreign exchange and economic policy. He expressed his criticism in Rio de Janeiro yesterday during his participation in the second meeting of economy ministers and Central Bank presidents of the Mercosur (Argentina, Brazil, Uruguay, and Paraguay) member countries.

"If the macroeconomic policies are not harmonized, Mercosur will not be able to operate properly," said Diaz Perez, who stressed that there should be no subsidies nor differing foreign exchange rates. Optimistic and wishful expressions, despite the doubt cast by Brazil's difficult economic situation, dominated the second meeting of economy ministers and Central Bank presidents of the Mercosur member countries, which was held yesterday.

A few days before full implementation of the Asuncion Treaty on 29 November 1991, there is still uncertainty over whether the four countries—Brazil, Argentina, Paraguay, and Uruguay—will be able to meet the goals of stabilization, trade opening, and fiscal discipline that are so often demanded in the speeches.

Brazilian Economy Minister Marcilio Marques said that yesterday's meeting yielded "a consensus that the objectives of the four countries' policies have a common goal and a very large convergence, and seek macroeconomic stability through balanced fiscal policies and, if possible, a primary surplus [superavit primario] through austere monetary policies."

Marques emphasized that the countries' economic policies must complement their structural reforms. "All our countries are redesigning the state's size and role by, for example, introducing privatization programs," the Brazilian minister noted.

Marques was also very optimistic when he said that in addition to the regional integration process, the four countries are seeking better integration into the world economy through trade liberalization programs and the normalization of relations with vital international organizations such as the GATT.

Macroeconomic Stability

Argentine Economy Minister Domingo Cavallo said that it is vital to assign priority to macroeconomic coordination between the four countries. Cavallo said: "All of us attach great importance to the objective of macroeconomic stability. After we consolidate a good atmosphere of economic stability, we will be able to advance more quickly toward full formation of the common market." Thus, he hinted at the fact that the relative differences involving both specific economic conditions and government policies still represent an obstacle to meeting the Mercosur timetable, at least as far as the Asuncion treaty provisions are concerned. The timetable includes a five-month delay since the first tariff reduction, involving a 48-percent reduction for products and merchandise circulating in the region, should have been implemented in late June 1991.

Cavallo said: "A fiscal policy that will remove the fiscal deficits that marked our governments in the past is fundamental. After removal of the fiscal deficit, we will be able to implement austere monetary policies."

The Argentine minister also voiced his optimism by stating that it is believed "the objective of stability will be accomplished with enough time to achieve the progress required for the formation of Mercosur by late 1994."

Cavallo Proposes Open Skies Policy

PY1111170691 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 11 Nov 91

[Text] Economy Minister Domingo Cavallo has made a proposal at the Mercosur [Common Market of the South] meeting. He proposed that the member countries implement an open skies policy aimed at allowing regional airlines to freely offer their services. The proposal was made by Cavallo to his colleagues from Brazil, Paraguay, and Uruguay during the meeting held this weekend in Rio de Janeiro.

Mercosur Legislative Commission Meeting Ends

PY1311121291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 12 Nov 91

[Report by Oscar Lobo]

[Text] Legislators from Brazil, Uruguay, Paraguay and Argentina have defined the activities of the Mercosur [Common Market of the South] Legislative Commission.

The meeting of deputies and senators from the four Southern Cone countries, which comprise the Mercosur Legislative Commission, closed today in Santa Catarina State.

Although the Mercosur will be officially established in 1994, the practical economic integration of Brazil, Argentina, Paraguay, and Uruguay is already a fact through the establishment of several integration actions which are recognized by international law.

Senator Dirceu Carneiro, the chairman of the Brazilian legislative group, confirmed this today during the closing ceremony of the two-day meeting that was held at the Santa Catarina legislature in the presence of deputies and senators from the four member countries.

The legislators drafted the statute that defines the work of the Mercosur Legislative Commission and the agenda

of the meeting that will be held on 6, 7, and 8 December in Montevideo, Uruguay, where the Mercosur administrative headquarters are located. The first Mercosur board will also be elected during that meeting.

Uruguayan Minister Sees Energy as Mercosur Issue

PY1211002491 Asuncion ABC COLOR in Spanish 9 Nov 91 p 8

[Excerpt] Uruguayan Foreign Minister Hector Gros Espiell last night said that the issue of energy should be one of the subjects examined by Mercosur [Common Market of the South]. Regarding the Paraguay-Parana riverway project, he asserted: "The riverway ends in Nueva Palmira, ratifying the Uruguayan Government's insistence that there is no reason for the River Plate to be included in this project."

Gros Espiell arrived in Asuncion yesterday to participate in the last day of the "Debate on the Grounds for Constitutional Reform," which was held at the Central Bank. The debate started on 4 November and ended last night.

When the media asked some questions about Mercosur, specifically his government's opinion on the subject of energy generated by Itaipu within the new regional market, he said that whether or not to include Itaipu is not a matter of discussion. He added: "The appropriate approach would be to include the subject of energy in Mercosur discussions."

He explained: "Uruguay believes that the subject of energy should be one of the top Mercosur issues. [no closing quotation mark as published] He added that every form of energy is a vital element in the move toward integration. [passage omitted]

Mercosur Ministers Sign Integration Plan

PY0911004291 Buenos Aires TELAM in Spanish 0207 GMT 8 Nov 91

[Text] Buenos Aires, 7 Nov (TELAM)—The justice ministers of member countries of the Common Market of the South (Mercosur) today signed an agreement establishing a platform for legal cooperation between Argentina, Brazil, Paraguay, and Uruguay in the quest for multilateral integration.

The agreement is the result of two days of deliberations at the first meeting of Mercosur justice ministers, called by the Argentine Justice Ministry "historic" for being "the beginning of the community right that will demand the functioning" of Mercosur.

One of the agreement's essential points refers to the development of "a common framework for legal cooperation in the civil, commercial, labor, administrative, and criminal areas, with special attention to extradition" and other elements of "international criminal laws."

The agreement was signed by Argentine Justice Minister Leon Arslanian; Uruguayan Education, Culture, and Justice Minister Guillermo Garcia Costa; Paraguayan Justice and Labor Minister Hugo Estigarribia Elizeche; and Brazilian Justice Ministry Executive Secretary Inocencio Martires Coelho. Argentine Foreign Minister Guido di Tella also was present.

Moreover, the agreement, signed at the Buenos Aires Plaza Hotel hall in the presence of Chilean diplomat Carlos Balbontin as an observer, establishes the constitution of a technical commission made up of representatives of the Justice Ministries, which will fulfill the tasks entrusted to them by the conference of ministers.

Another agreement consists in the organization of a system of trade and continuous updating of information of the rights of Mercosur nations, considering the agreements on information on foreigner's rights.

The ministers also agreed to "promote the study of principles of international contracts, with special attention to the issue of the individual's freedom of contract [autonomia de la voluntad], and its requirements, conditions, and limitations, both in the international legal order and in the respective law."

In conclusion, they also agreed to promote "the harmonization of the internal rights of the states" of Mercosur, for which they suggest "the preparation of model laws," taking into consideration the existence of similar Ibero-American codes.

Amazon Cooperation Meeting Opens in Santa Cruz

PY0811220291 La Paz Television Boliviana Network in Spanish 0200 GMT 8 Nov 91

[Text] Foreign Minister Carlos Iturralde has inaugurated the Amazon Region Cooperation Treaty's fourth foreign minister's meeting. Here is the report from Santa Cruz:

The Bolivian, Venezuelan, and Ecuadoran foreign ministers, and Brazilian, Colombian, Peruvian, Surinamese, and Guyanan diplomatic representatives attended the meeting.

During the meeting, Amazon Pact countries will seek a common position on the issues of the Amazon region's development and environmental protection. The foreign ministers also will work out guidelines for regional cooperation and will discuss the approval of regulations on the commercial use of rivers.

Bolivian Foreign Minister Carlos Iturralde proposed an agenda of five basic points: development and environmental protection; definition of the concept of sovereignty over the region; international co-responsibility in the ecological protection of the region and its economic, social, and cultural development; recognition of the Amazon Indian peoples' very important role in preserving the environment; and understanding that there cannot be a solution to the Amazon region's problems without a solution to the Amazon peoples' problems.

Iturralde asked foreign representatives to show decisiveness and willingness to work together to achieve Amazon Cooperation Treaty goals.

[Begin recording] This is a very appropriate occasion to convey to you President Jaime Paz Zamora's idea of our task in seeking a better future for the region. Everything is constantly changing in the Amazon region: rains, temperature, winds that disseminate seeds, animals that fight to eat and are in turn eaten...[end recording]

The Brazilian deputy foreign minister proposed a discussion on common grounds linking preservation and development in order to find the ideal middle ground that best helps our nations. The Brazilian official stressed that Amazon region countries will not accept impositions or conditions from industrialized countries. He added that discussions on the issue must be based on the recognition of our sovereignty.

[Begin Brazilian Deputy Foreign Minister Azambuja recording] We think that the treaty reinforces our sovereignty. The regionalization of the Amazon problem will prevent its internationalization. What we like about the treaty is that it establishes that as co-owners of the Amazon region, we have a special responsibility to preserve and develop it. Together we will have enough strength to resist any attempt to internationalize what is our own exclusive responsibility. [end recording]

Southern Cone Antinarcotics Meeting Opens

PY1311160691 Asuncion ABC COLOR in Spanish 13 Nov 91 p 30

[Text] An alliance within the fight against drug trafficking was formed on 12 November in our capital between Paraguay, Argentina, Brazil, Uruguay, Chile, and Bolivia with the beginning of the First Conference of Southern Cone Operational Forces Against the Illicit Trafficking of Drugs [Primera Conferencia de las Fuerzas Operativas del Cono Sur Contra el Trafico Ilicito de Drogas].

Argentine and Paraguayan representatives requested money from the more developed countries in order to develop a more effective fight against drug traffickers.

Alberto Lestelle, secretary for Planning and Coordination for Drug Abuse Prevention and the Antinarcotics Struggle of Argentina, stressed on 12 November: "Studies must begin to promote the alternative development of industries and enterprises to employ the personnel currently being used to produce drugs. For this we need money, not counseling, from the more developed countries." Lestelle made this statement during the opening session of the conference, which is being held at the headquarters of the National Narcotics Directorate (Dinar).

The conference seeks to unify the prevention and repression of drug trafficking. It will close on 15 November.

Lestelle said: "We need understanding and aid from the powers that have helped with the economic problems of other countries, like Hong Kong and Taiwan, nations which have received aid from the United States. A feasibility study must be made on alternative development so that we can enable the campesino to find a dignified way of life in such a way that he will give up coca leaf production and stop playing around with dangerous substances."

Lestelle indicated that unemployment and underemployment force the peasants to opt for the cultivation of the coca leaf in order to survive. He said: "The problem is serious because they are innocently producing a merchandise that kills their fellow men in order to obtain their livelihood."

The Argentine official indicated that in Latin America there are some 90 million youngsters are at the mercy of drugs; some 40 million street children are in danger; nearly 3 million people are affected by AIDS in the Western world; and, to January 1991, some 103,000 babies were born with this lethal illness. It is known that AIDS is closely linked to the drugs that are applied through an intravenous injection.

"This is a devastating war and there is a lack of money. Latin American governments are heavily burdened with financial problems and they are fighting unequally against those responsible for this garbage," the Argentine official said harshly about drug trafficking. Lestelle said: "With this alliance, border control will be unified and coordinated. We need penetrating and efficient mechanisms to fight the laundering of money, which is the Achilles heel of the narcotraffickers. Prevention and making people aware will be a definitive solution to this scourge if they are properly implemented."

Sebastian Gonzalez Insfran, under secretary of the Paraguayan Interior Ministry, also asked for "a generous financial donation to encourage the primary producers to replace this cursed crop with food crops that will sell at a reasonable profit through a secure market. [no closing quotation marks as published]

Ambassadors of the host countries and of other friendly countries participated in the opening session.

Southern Cone Agricultural Meeting in Brasilia

PY1211010891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 11 Nov 91

[Text] The coordinating committee of the Southern Cone Agricultural Research Cooperation Program [Programa Cooperativo de Pesquisa Agricola do Cone Sul] is meeting for the first time in Brasilia. Representatives from Brazil, Uruguay, Paraguay, Argentina, Bolivia, and Chile are attending the meeting.

Murilo Flores, chairman of Embrapa [Brazilian Agriculture and Livestock Research Enterprise], said that today, the first day of the debates, emphasis will be placed on

Brazilian cooperation with the Argentine Agriculture and Livestock Technology Institute.

[Begin Flores recording] We will discuss institutional development in Argentina and Brazil because we are experiencing very similar problems. We will exchange experiences on an approach to the private sector, the administrative decentralization process, and modifications to managerial patterns. [end recording]

The coordinating committee meeting will end on 14 November.

Central American Security Commission Meets

Views FMLN Aid From Nicaragua

PA0911035891 Mexico City NOTIMEX in Spanish 1243 GMT 8 Nov 91

[Text] San Jose, 8 Nov (NOTIMEX)—Colonel Orlando Zepeda, Salvadoran deputy defense minister, said here 8 November that the "Salvadoran guerrillas continue to receive logistical support from some area sectors and especially from Nicaragua."

Zepeda is in Costa Rica as a member of the Salvadoran delegation to the sixth meeting of the Central American Security Commission, chaired by Costa Rican Deputy Foreign Minister Ricardo Valdivieso. The Salvadoran officer noted that this was the appropriate forum for "the Nicaraguan delegation or Government to pledge to control the activities that the Farabundo Marti National Liberation Front (FMLN) conducts in its country." He recalled that "a commitment stemming from the Esquipulas II Agreements (the Central American peace treaty) exists that prevents any country from lending its territory to unconventional groups that seek to destabilize governments in the region."

"We hope to get cooperation from the area governments to isolate and deprive the FMLN of legitimacy, as it is an armed group created to take power and lacks any validity now," he said.

Col. Zepada stated that his country has not received from the area countries "effective cooperation to stem the trafficking of weapons and explosives for the FMLN."

The guerrillas are always allowed to use some territory for propaganda purposes, and it is known that the clandestine radios are operating in Nicaragua, "but we have not received any help to curb the (weapons) trafficking and broadcasts," he indicated.

He explained that the Nicaraguan Government is doing all it can to counter FMLN activities on its territory, but the Sandinist National Liberation Front and the Sandinist People's Army "are not convinced of the rightness of the Salvadoran Government stance and continue supporting the FMLN."

Commission Agrees on Arms Ceilings

PA1111204191 Hamburg DPA in Spanish 2333 GMT 8 Nov 91

[Text] San Jose, 8 Nov (DPA)—At the end of a two-day meeting in Costa Rica, the Central American Security Commission agreed to seek mechanisms to establish "ceilings" for arms stockpiles and the number of soldiers in the region.

The commission, which was created within the framework of the Esquipulas II peace agreements, charged a technical subcommission with meeting in the first two weeks of January to outline a procedure for this purpose. The subcommittee must take into account the guidelines established in Managua in April for determining the upper limits for arms stockpiles and number of soldiers in each Central American country. Limits for each country are based upon population, territorial extension, GNP, and borders.

In addition, the commission decided that the regional security treaty recently proposed by Honduras, which was aimed at instilling "trust" among Central American armies, should include a definition of the ceilings to be adopted and the mechanisms used for verification.

The commission, which was installed in 1990, will meet again in San Salvador in the second half of January to study the proposals submitted by the subcommission in charge of defining the mechanisms for establishing ceilings.

The negotiations have been hampered by Salvadoran and Guatemalan reluctance to submit inventories of arms and the number of soldiers in their armed forces. The two countries have argued that they are confronting internal conflicts and, for this reason, their situations cannot be compared to those of other area nations.

Orlando Zepeda, Salvadoran deputy defense minister, has said that to submit such an inventory "would benefit" the Farabundo Marti National Liberation Front guerrillas. Zepeda said the Nicaraguan delegation presented a plan to check the supplies that, according to El Salvador, keep flowing from Nicaragua.

In Costa Rica, Zepeda accused the Sandinist National Liberation Front and the Nicaraguan Army of continued logistic support for the Salvadoran guerrillas. The deputy defense minister did not give details on Nicaragua's proposal, but he said it would be studied.

At the opening of the 7 November meeting, Bernd Niehaus, Costa Rican foreign minister, deplored the area countries' meager progress in the negotiations for the limitation and reduction of arms and number of soldiers in the subregion.

Orlando Zepeda said: "The most important point of this meeting is the degree of confidence and friendship reached by the colleagues in attendance."

Finally, Hernan Castro, Costa Rican deputy foreign minister, said that the existence of conflicts made it impossible to achieve as much as was desired. He added that the best possible situation will be when "peace is attained."

Cuba Attends Latin American Relations Meeting

PY0811135291 Asuncion ABC COLOR in Spanish 8 Nov 91 p 14

[Text] Cuban politician Oscar Fernandez yesterday conveyed Fidel Castro's greeting to Chamber of Deputies President Jose A. Moreno Rufinelli.

Fernandez is in Asuncion to attend the 13th annual meeting of the Program for Joint Studies on Latin American International Relations [RIAL]. Several other foreign experts also participated in the meeting.

During his visit to the Chamber of Deputies, Fernandez met with Moreno Rufinelli for approximately 20 minutes. He said that during the RIAL meeting he explained that "Cuban foreign policy is based on his country's integration with other Latin American countries."

"We do not have formal relations with Paraguay, but my presence here indicates that there is friendship between our two countries," he emphasized.

International Socialist Meeting in Cochabamba

PY1211175091

[Editorial Report] La Paz Television Boliviana Network at 1700 GMT on 11 November carries live coverage of the meeting of the International Socialist Committee for Latin America and the Caribbean in Cochabamba, Bolivia.

At 1808 GMT Haitian President Jean-Bertrand Aristides begins a 10-minute address in Spanish in which he voices his gratitude for the solidarity and for the warm support for the Haitian people's struggle for democracy.

Aristides says he is not going to talk for very long because of "what you have already said and what you continue to say throughout the world through expressions of fraternity, solidarity. These acts speak for the Haitian people who demand the return to the democratic process."

Aristides then briefly depicts the current situation prevailing in Haiti. He says that when he thanks the International Socialist Organization; Venezuelan President Carlos Andres Perez; "President George Bush, who is clearly and publicly struggling for the return of the democratic regime;" U.S. Secretary of State James Baker, who referred to the coupists, saying that there is no future for them; President Francois Mitterrand and many others, he is saying that he and the people of Haiti are aware that the struggle for democracy, which belongs to everyone, must become a reality in Haiti.

In conclusion, he says: "Thank you will be the last words I wish to share with you."

At 1819 GMT Bolivian President Jaime Paz Zamora delivers a 48-minute speech. He begins by specially greeting Jean-Bertrand Aristides, the constitutional president of the Republic of Haiti, says: "We are here to express our faith in what you represent, to tell the entire world that we all believe that the solution to the conflict in your country is based on a basic principle, that is, recognition of the free and fully expressed will of the Haitian people, and that any solution that does not respect this will, cannot represent a solution for Haiti, for Latin America, or for democracy."

He recalls the beginning of the Bolivian democratic process and world recognition to this development. He recalls that as a sign of this recognition he was invited to the inauguration of Antonio Guzman, president of the Dominican Republic. "The fact that Aristides is here today adds more meaning to what I have just said. It shows that we Latin Americans know where we are going, who we are, and that we know who is in our continent and who represents our people."

Paz Zamora then notes the important role that social democracy has played throughout the world, especially in Latin America, adding that despite the great changes that have taken place "there are still poor countries and rich countries. This means that, in spite of all the modern means and changes, one of the greatest problems and challenges of the 20th century still exists."

Paz Zamora continues by noting that integration is becoming a necessary survival factor. He adds that the people should still be allowed to live according to their own traditions. Latin America must learn how to live in integration without loosing its identity.

The Bolivian president then notes that some politicians emerge from conflicts while others emerge from integration and understanding. He says that Latin America, which used to be the model of conflicts, "is now showing the world that a new attitude is surfacing in this continent" where people finally understand that politics means unity, understanding, coexistence.

Paz Zamora ends by stating: "I hope that, beyond our debates on these subjects, we may, from here, effectively cooperate with the Haitian people and that we may cooperate with other countries like El Salvador, Guatemala, Panama, just to mention a few, that are still half way along the path we have already trodden." Most Latin American countries have already returned to democracy and are working to consolidate it. Only a few still striving to conquer democracy.

Before welcoming all those present, Paz Zamora notes that the meeting will address two issues: First, the struggle for democracy; and second, the struggle to achieve the true meaning of democracy for which the Latin American people yearn.

Cuba

Postponement of U.S. Blockade Debates Denied

FL0911130791 Havana Tele Rebelde Network in Spanish 1100 GMT 9 Nov 91

[Text] On 8 November Cuba reiterated that, despite rumors to the contrary, the UN General Assembly will begin discussing the issue of the U.S. blockade against Cuba on 13 November. The Cuban mission at the United Nations has sent a reminder to the member countries [word indistinct] and has rejected an alleged postponement of the debates on the blockade the United States has been imposing on Cuba since 1962.

Alarcon at UN; Blockade Resolution Withdrawn

FL1311232791 Havana Radio Reloj Network in Spanish 2302 GMT 13 Nov 91

[Text] Today, Ricardo Alarcon de Quesada, Cuban ambassador to the United Nations, presented irrefutable proof of the U.S. economic blockade against Cuba during his activities at the 46th period of sessions of the UN General Assembly. Alarcon made reference to numerous cases of U.S. interference among third countries and private enterprises to frustrate the interests of nations and individuals. Regarding the Yankee blockade against our country, which was discussed today at the United Nations, our ambassador said that the draft resolution will be discussed in next year's General Assembly. He added that the decision is based on the problems other countries would have to face when it came time to take an honorable stand on the issue.

Addresses General Assembly

FL1411030591 Havana Radio Rebelde Network in Spanish 0017 GMT 14 Nov 91

[Speech by Ricardo Alarcon de Quesada, Cuban ambassador to the United Naitona, at the UN General Assembly in New York on 13 November—recorded]

[Text] Mr. President, no one will be surprised if I begin my speech with some thoughts pertaining to certain special circumstances that have surrounded this matter. First of all, I wish to state that it is not our intention, nor has it ever been, to present you with a bilateral complaint, even though more than one is included in the assembly program. The farthest thing from our minds is to lead this assembly to intervene, in any way, in matters that are private to the sovereignty of any state. We do not wish to burden your attention with matters that do not deserve attention.

The matter that we are bringing up at this time is of vital importance to my people. It relates directly, no more and no less than that, to the right to life and the existence of a nation. It is also a problem that directly affects the purposes and principles established in the Charter, hinders the normal development of international relations, and seriously harms the legitimate interests of many states, institutions, and people throughout the world. Everyone gathered here is aware of this, as are millions of people outside these walls. They are also aware of the special situation that the Assembly faces in the broaching of this matter. They have repeatedly been told this, here and in their capital cities, in writing and orally, in words so strong that everyone has become aware of it.

I have here an authentic collection of the many letters that the U.S. Government has sent to the foreign ministries of many countries. Lies go hand in hand with the most open threats. They all deliver a clear message: Washington is not only bent on continuing its illegal and criminal blockade against Cuba, but will also attempt to block discussion of it by the UN General Assembly. In these documents and in the statement made on 21 August by the U.S. State Department, they claim that there is no blockade, merely an embargo. For the readers' astonishment, the following statement is included in the documents, and I quote: A blockade implies that the United States is taking action to prevent other countries from trading with Cuba. That is (?really) not the case, [preceding quote in English] end of quote. In document A/46/193, addendum seven, dated 12 September 1991, we established that this is precisely what it is about, a blockade the Washington government applies throughout the world, extending beyond its territory, its anti-Cuban laws, orders, and guidelines.

In that document that the delegations received two months ago, we particularly cite the text of a number of U.S. guidelines that are currently in effect, and which have been for several years, proving how Washington extends its jurisdiction beyond its territory. Seventy days have gone by since document A/46/193, addendum seven was distributed, and to date, no one has said that this document contains inaccurate information. Whoever may wish to do so will have the opportunity now that the matter is being brought up.

Mr. President, that document is simply a summary of the U.S. Federal Code. I wish to read some examples that prove how the extraterritorial application of these dispositions seriously harms Cuba, but also affects the interests of third parties, and is a constant source of international conflict. There are many recent cases of legitimate commercial transactions with enterprises that are not U.S. enterprises and that are not under U.S. jurisdiction. These transactions were not completed because of bans imposed by the U.S. Government. In some cases, governments of third countries were participating in these transactions.

I have here with me the documents on each of these cases. I will limit myself to reading the list of products that cannot be exported to Cuba: collyrium eyewash, tires, hydraulic components, v-shaped transmission belts, equipment for airplane kitchens, power regulators and switches, material for electrical sockets, electrical appliances, components for boilers, wood-cutting tools, metal-cutting tools, metal connections for electrical sockets, light bulbs, fuses, equipment for commercial

kitchens, light switches, products for boats, (plastic resin), cellophane paper, resin to treat water, tape for the production of telephone wires, motor glue, filters, medical books, and bottled soft drinks. As you can see, none of these are strategic materials.

I do not wish to abuse your patience; I will therefore read only a few of these cases:

Inter-American Publishing Company in Spain had been for years an important supplier of medical books to Cuba. In 1989 it was bought by McGraw-Hill, a U.S. publishing house. It banned its Spanish subsidiary's sales to Cuba as well as its participation in the book fair in Cuba. The imposition of Washington-adopted decisions on (Yen del Atlantico) makes Cubans access to medical literature more difficult. It has also left some Spanish workers jobless.

Following instructions from its U.S. headquarters, Pepsi Cola Montreal decided in mid-May 1991 not to abide by a contract it had signed, calling for the sale to Cuba of 28,000 cases of soft drinks. The political implications of this action were properly registered by the Canadian authorities. In a letter to the aforementioned company, Mr. Davidson, general director for Latin America and the Caribbean of the Canadian Foreign Ministry, stated, and I quote: Canadian Government trade policies, which we would expect to be supported by companies incorporated in Canada, favor trade in nonstrategic goods with Cuba. The Canadian Government has also consistently opposed the extraterritorial application of U.S. trade policies toward Cuba, either directed by the U.S. Government or through U.S. parent corporations since the adoption of U.S.-Cuban asset control regulations in 1963 [preceding quote in English], end of quote.

Traditional commercial ties have existed between Cuba and the Swedish Alfa-Laval. In May of 1991, however, that corporation canceled a sales contract it had signed with MediCuba. The contract was for the sale of Swedish equipment, manufactured in Sweden by Alfa-Laval. Cuba had been purchasing this equipment for years, until the Washington inquisitors found that part of the equipment, a filtering membrane, was made in the United States. In document A/46/193, addendum seven, we mentioned trade transactions for the purchase of medical and laboratory equipment, and spare parts produced outside the United States by companies that are not U.S. companies. However, all these companies were affected because the U.S. Treasury Department banned these sales.

I am not going to read this document, but I cannot refrain from mentioning in this hall that less than a year ago, the UN hosted the Children's Summit. Can you remember the promises made to the children of the world during that summit? Did anyone mention back then that Cuban children were excluded from those promises? This document mentions parts and pieces, some very small and not very expensive. They are of no strategic value and they are not used for military purposes. They are only useful in hospitals [break in reception]. They are used for the treatment of children with cardiac problems. These little pieces have only one problem; they are made in the United States. I am sure that all the U.S. embassies also have copies of this document, which would explain why it is becoming more and more difficult for us to purchase these products in any country of the world. Some colleagues have mentioned that the topic being broached by the Assembly is very sensitive. Who can doubt this? Among other things, it puts to a test the sensitivity of each country in the face of children's right to life.

Mr. President, Cuban children have had other experiences with the blockade. In 1981, and under conditions that make us suspect that it was introduced from abroad, an epidemic of hemorrhagic dengue broke out in Cuba. Back then, the U.S. authorities prevented us from buying the product we needed to eradicate the source of the epidemic. We were only able to purchase it, at a very high price and after much effort, in a faraway market, despite the efforts made by the WHO in Washington. More than 100 children paid with their lives for that episode of abominable cruelty.

In its eagerness to illegally impose its blockade policy on other countries located outside its jurisdiction, Washington has practiced various forms of pressure and interference. Early in 1983, the U.S. State Department received a note from the Canadian Foreign Ministry in which, among other things, it mentioned, and I quote: We cannot accept that U.S. officials take steps in Canada in support of the application of U.S. laws to inhibit Canadian firms from pursuing expressed Canadian Government policies of promoting trade with Cuba in nonstrategic goods. [Word indistinct] this longstanding U.S. practice they should be discontinued, [preceding quote in English], end of quote. These interventionist activities can be observed in every country and have multiplied in recent months. There is much proof of this expressed by the media, especially in Latin America.

Special mention must be given to the strong persecution against export of Cuban nickel. In that more than 30-year war against one of the main products of a poor and underdeveloped country, the U.S. Government has achieved its principal goals by closing our traditional markets one after another. This has even included the non-fulfillment of duly-signed contracts by private and state corporations of the largest consumers of that mineral. To achieve this, the United States has used all available methods: from embargo of stainless steel shipments suspected of containing Cuban nickel; imposition of severe control measures in nickel-consuming countries; demands for guarantees that no product exported to the United States contain Cuban nickel; to the threat and extortion carried out by U.S. diplomats' visits to each and every nickel-consuming enterprise in several countries. Now Washington is also demanding of those

who export sugar to the United States that they guarantee that no Cuban sugar is included in the shipment they are trying to sell.

Another example of extraterritoriality is the U.S. attempt to ban the use of the U.S. dollar in all transactions involving Cuba, even though this may have nothing to do with U.S. citizens or enterprises. In this manner, Washington interferes in the operations of banks and financial institutions of other countries and imposes restrictions on their activities, even though these may have nothing to do with the United States.

Mr. President, what I have described up to this moment have been the results of the extraterritorial application of the dispositions for the blockade against Cuba currently in effect. It is obviously a policy that violates the San Francisco Charter, the GATT, and several resolutions approved by this Assembly. It is in violation of international law, and not only represents criminal aggression against Cuba, but its implementation is an attack on the sovereignty of other states, and is therefore a constant source of conflict of an international nature. It ignores the most basic rights of the Cuban people and harms the legitimate rights of others. This is true of what is happening right now.

But as if this were not enough, for the past year the U.S. has been studying legislative proposals to intensify and expand its economic, commercial, and financial blockade against Cuba, including serious threats and reprisals against those who do business with our country. Some of these proposals are already draft bills waiting to be signed by the executive. Their goal is to completely eliminate trade with Cuba by enterprises subsidized by U.S. companies located in other countries, and under the laws of other countries. Almost all the Cuban imports that would be banned include food and medicine. This is admitted in this report issued by the Washington office responsible for implementing the blockade. To achieve this goal, the United States would extend, illegally and arbitrarily, its laws even further into territories that are out of its jurisdiction, and would violate the sovereignty of other countries. This is why the Irish Embassy in Washington, on behalf of the member states of the EC, delivered the note I have here with me to the U.S. State Department, expressing its objection to the proposed bill. In one of the paragraphs, the Irish Embassy states, and I quote: The Community is still of the view that the United States have no basis in international law to claim the right to license non-U.S. transactions with Cuba by companies incorporated outside the U.S.A., whatever their ownership or control, end of quote.

Likewise, we wish to recognize the value of the statement issued in September by the UK trade secretary, which I will quote: It is for the British Government, not U.S. Congress, to determine the United Kingdom's policy on trade with Cuba. We will not accept any attempt to superimpose U.S. law on UK companies (?and hope) the Congress will think long and hard before seeking to interfere with legitimate civil trade between this country and Cuba. [preceding quote in English]

Mr. President, I have presented specific information, backed by incontestable documents, and proof that clearly demonstrates how the U.S. Government is carrying out an illegal economic, commercial, and financial blockade against Cuba. I have quoted official statements issued by governments that are friends and allies of the United States. These statements prove how the actions and measures that make up the blockade are contrary to international law and affect not only Cuba, but also other countries. In doing this I have not tried to harm anyone, much less governments that enjoy the respect and consideration of my government. I hope they will understand that it was my duty to prove the falsehood of the claims made by the United States. They are trying to reduce this issue to a bilateral problem between our two countries and also refute the irrelevant remarks made by those who see, in the discussion of this problem, an intervention in the domestic affairs of the United States.

I do not think anyone can have the slightest doubt that this blockade is an international problem and that its discussion by the UN General Assembly is entirely legitimate. It is also the unavoidable moral and political obligation of this Assembly to contribute to the immediate end of a policy that in addition to being illegal, causes serious problems for a whole country.

In this attempt we have presented the draft resolution that appears in document L-20. In drafting the resolution, we have taken into consideration the observations and suggestions that various delegations have taken the time to make. We highly appreciate their interest and spirit of cooperation. Even though it is not necessary, I wish to say that in proposing this draft resolution, it is not our intention to place the delegations in an uncomfortable position. But to say it with the simplest of words, it is our right to ask for justice for Cuba and its people and demand the necessary solidarity to achieve it. We will fulfill this duty in this Assembly and with other international organizations.

We all know the exact nature of the obstacles the Assembly faces in making a fair decision on this problem. It has nothing to do with legal interpretations or semantic discussions. The real argument, the only argument of the U.S. Government is on this paper. I have several copies of it. Many of you are familiar with it. I have several copies, as I said, which I have received from several capital cities. I am going to read the paragraph that contains the real and only U.S. reason. I quote: In view of your relations with them, we would appreciate your going to the Cubans in an effort to have the resolution withdrawn. The Cubans should understand that their insistence that you support them threatens your good relationship with the U.S. The American Congress and people will be watching this important issue very carefully, [preceding quote in English] end of quote. We know to how many places in the world this clear and direct threat—which proves

Washington's total lack of respect for the dignity and sovereignty of other nations—has been sent. We know what certain special envoys have said in some capitals. We know of the crude impertinence used during some interviews, even with heads of state of independent republics that they attempt to treat like colonial possessions. We also know that on more than one occasion, and in addition to threatening language, they have suspended loans, interrupted bilateral projects, and exerted other measures of pressure and reprisal. We also have documented evidence of all of this which we prefer not to disclose for the time being. But, is there a need for anything more? The Cubans should understand that their insistence that you support them threatens your good relationship with the U.S. The American Congress and people will be watching this important issue very closely. [preceding quote in English]

In an attempt to prevent the necessary action by the international community, the U.S. Government has launched a frenzied, excessive campaign of intimidation, threat, and pressure. Under these circumstances, it would be very difficult for this Assembly to exercise its responsibilities properly and analyze the draft resolution objectively, and for each country to adopt the position it considers appropriate freely and without fear of reprisals. Cuba believes strongly in international solidarity. It demands international solidarity for its people because at this moment it needs it. But these same feelings, even during these times which are full of risks for our country, force us to understand the problems that others would unfairly have to face for maintaining a worthy position in regard to this matter.

For this reason, Mr. President, I wish to officially advise that my delegation has decided not to insist that the draft resolution included in Document L-20 be submitted to a vote during the current period of sessions of the UN General Assembly, but rather, to present it during the next period of sessions. Many governments, institutions, and people throughout the world have demanded an end to the economic, commercial, and financial blockade imposed on Cuba. We trust in their solidarity. We trust that their efforts will multiply and become more powerful, and will contribute to creating appropriate conditions so the UN General Assembly may adopt a fair decision next year.

Mr. President, I cannot conclude my statement without clarifying one point with which they have attempted to sow confusion. They have tried to explain the blockade as a result of the cold war and the confrontation that years ago prevailed between two antagonistic blocs. The historic truth is within everyone's reach. All one must do is read the autobiographies of Presidents Eisenhower and Nixon to prove that during the weeks that followed the triumph of the Cuban revolution, the U.S. Government began its hostilities against my country. The adoption of the Agrarian Reform Law on 16 May 1959 met with Washington's stubborn and inadmissable position, and the first measures of the economic war which the United States continues to wage against Cuba were implemented. This happened months before, many months before Cuba adopted the first socialist-oriented measure, and before we had reestablished relations with the Soviet Union. The real reasons behind all this are known to all middle level students.

In 1808, 10 years before Karl Marx was born, the United States tried to get Spain to return what back then was its colony. In 1823, 25 years before the *Communist Manifesto* was published, the United States invented the so-called ripe fruit theory, according to which Cuba, once it separated from Spain, would unavoidably be incorporated into the United States. In 1898, five years before the foundation of the Bolshevik Party, the United States intervened in our war of independence, to foil it and impose on us four years of military occupation. In 1901, 16 years before the triumph of the October Socialist Revolution in Russia, and while it militarily occupied the island, the United States imposed an amendment to the Cuban Constitution by which it deprived Cuba of part of its territory, which it still occupies in Guantanamo, and assumed the right to intervention in Cuba.

Several decades before the beginning of the so-called cold war, the United States sent its occupation troops on more than one occasion. It overthrew and installed governments and intervened, in several ways, in the domestic affairs of the country until the day Cuba achieved its full and definite independence on 1 January 1959.

The Cubans did not import the revolution. It was the result of more than 100 years of struggle. Those who, in the past century, began our people's long struggle for their independence had to do it under even more difficult circumstances. As the highest symbol of the homeland they wanted to found, they chose the single star flag. It represented the loneliness of a small country that had to fight against colonialism, alone, without allies, and within a small island. It also represented the unshakeable will of a people who would never yield, renounce its independence, or betray its principles.

Make no mistake; today's Cubans carry the same flag and will know how to defend it with the same ardent dedication as that of their ancestors. Cubans, by resisting and defending their revolution, not only defend a worthy and just society which, despite all adversities, we will continue to strengthen. Not only do we defend our society, free of paupers, free of illiteracy, free of unprotected citizens, a society with schools and hospitals, and justice and dignity for all, but we also defend the fatherland, definite and finally free, the fatherland that no one will ever be able to take from us.

Thank you very much. [applause]

Commentary on U.S. 'Political Manipulation'

FL0911033491 Havana Radio Rebelde Network in Spanish 0019 GMT 9 Nov 91

[Commentary by Lazaro Barredo: "The U.S. Embargo Against Cuba Is a Witch Hunt: Final Part," on the "Exclusivo" program]

[Text] The obsession with destroying Cuba in whatever way possible is a result of the alienation of the governing hierarchy in the United States, which frantically seeks to put the island under total siege. For this purpose, U.S. political manipulation and pressure on Cuba's trade partners in third countries is our daily bread. Through its mission in Brasilia, for example, the U.S. Government has exerted pressure to obstruct economic relations with the Cuban Government and the trade activities of several Brazilian companies in Cuba. One can observe a much more aggressive U.S. attitude towards Cuba in Brazil starting in the second half of 1990. They have gone so far as to interfere in negotiations such as those for the purchase of the meningitis vaccine.

Likewise, information from Panamanian business circles indicates that the absence of the representative of the Panamanian Chamber of Commerce, Industry, and Agriculture from the meeting of chambers of commerce that was held in Havana was due to U.S. pressures to boycott that integrationist meeting. In the case of Panama, it must also be said that last year the U.S. Government sent two teams from the Treasury Department's Foreign Assets Control Office to meet with Panamanian Government officials and business leaders and alert them about possible business deals with Cuba, urging them to stop those attempts.

This year another similar visit occurred, during which U.S. Treasury Department officials gave the Panamanian Government a list of Panamanian companies that do business with Cuba, demanding that the government act against those companies. It is significant that these Treasury officials have investigated, directly on Panamanian territory, the activities of these companies and their relations with Cuba, and they are carrying out all kinds of operations to hinder them, above and beyond even the national government's authority.

We have found out from Mexico that in a trip to Mexico, U.S. Ambassador to the United Nations Mr. Thomas Pickering included the subject of Cuba and urged Mexico to exert economic pressure on the Cuban Government to force it to adopt a less obstructionist position—according to him—in the hemisphere.

It is necessary to mention some examples of how the United States tries to hinder relations with companies in third countries, so that one can get an idea of this siege mentality the United States has with respect to Cuba. They have tried to prevent the Otis International Company from continuing to do business with Cuba. The Otis Company has done business with Cuba through its Mexican subsidiary, Elevadores Otis SA [words indistinct] under a license granted by the U.S. Treasury Department's Foreign Assets Control Office. U.S. Treasury Department representatives have also pressured the Continental Grain Company, a U.S. company whose subsidiary, Compania Continental SA of Argentina, negotiates with Cuba for the sale of grain under a license granted by the U.S. Treasury Department in 1984.

The Canadian branch of the Red Lobster company, a long-time buyer of Cuban seafood, with trade totalling $1.5 to $2 million, has found it impossible to continue to buy Cuban products because of instructions from its head office, in spite of the fact that no Cuban fault could be alleged that would motivate such a decision.

A deal on faucets, under negotiation with Ecuadoran companies, could not be completed due to U.S. pressures exerted behind the backs of the Ecuadoran Foreign Ministry and Trade Secretariat. If there is something that could be described as unprecedented, truly unprecedented, it is that the U.S. Government is directly pressuring the beneficiaries of quotas that are net sugar importers so that, under the laws of the embargo, they will give written assurances to the U.S. President that the sugar they export to the United States does not contain Cuba sugar. This is a prior, essential condition for the confirmation of their respective quotas for the next U.S. fiscal year.

During these three nights, I have tried to offer you some examples out of the hundreds that could overwhelm the capacity of any media. Is this not a sign that policy can acquire paranoid dimensions in the attempt to strangle a small country? Is this not the high cost Cuba has to pay for swimming against the U.S. current in today's political world? Is this not an intentional way of executing Cuban civilian society only because it upholds the principle of self-determination, only because it upholds a policy of true sovereignty and national independence, only because it refuses to be the superpowers' lamb?

In making this denunciation before public opinion, I base my remarks on the principle that we must call things by their names. We must call a spade a spade. The United States cannot continue to talk about an embargo. Everything I have mentioned is a conclusive demonstration that they are carrying out flagrant blockade.

Commentary Views Blockade Against Cuba

PA1311212291 Havana Radio Havana Cuba in Spanish 1405 GMT 12 Nov 91

[Commentary by Roberto Morejon]

[Text] The measures included in the U.S. blockade against Cuba are clearly hostile and intended to deprive the Cuban population of the most essential goods and services. This is an attempt to end the revolutionary experience in this country. U.S. Government spokesmen are attempting to play down the aggressive measures, but

the application of these measures demonstrates their serious effects, despite the rhetoric of the White House tenants.

To downplay the scope of the blockade, U.S. leaders refer to it as an embargo. The attempt is fruitless, of course, given the extent and depth of the actions taken. It must be emphasized that the conflict is not that Cuba rejected a simple Washington decision to stop trade with the island. Eight U.S. administrations have enacted a series of laws, reinforced by congressional amendments, to force the surrender of a country on which the United States has not declared war.

In their attacks against Cuba, U.S. authorities are even willing to run the risk of irritating third countries by compelling U.S. subsidiaries to join the blockade. Since the 1960's, the United States has been hurting the sovereignty of these nations by declaring the extraterritoriality of its laws as they apply to the measures established against Cuba. In addition, the U.S. Government declared as illegal the import of products manufactured in a third nation by corporations organized under local laws which utilize Cuban raw materials.

Years later, when Washington realized the serious effect on the Cuban economy of the cessation of trade with Europe and the reduced trade with the Soviet Union, the White House decided it was time to increase its hostility and thus reinforced the blockade to tighten the screws on Cuba with the intent of dealing a fatal blow to the island's economy. For this reason, we can say that the avowed determination to strangle Cuba through a virtual encirclement clearly fits the definition of an economic blockade. To use the word embargo is an unnecessary euphemism.

USSR 'Involuntary Blockade' of Cuba Noted

PA1311183791 Mexico City NOTIMEX in Spanish 1702 GMT 13 Nov 91

[Text] Mexico City, 13 Nov (NOTIMEX)—Cuban President Fidel Castro said the United States "has no arguments" with which to defend its isolation of Cuba. Castro described the USSR's "blockade" of the island as "involuntary."

Cuba is subject to a double blockade: the conscious and intentional blockade by the United States and the involuntary blockade by the USSR, Castro said in an interview with Mexico's EL NACIONAL, published on its front page today.

The UN General Assembly begins discussion of the 30-year-old U.S. trade embargo against Cuba in New York on 13 November.

From the moral viewpoint, "we have enormous strength, and the United States cannot defend its position. It has no argument to support its policy of blockade, any more than it can justify remaining at the Guantanamo (military) base," Castro said.

The Cuban president expressed his confidence that "the blockade will end some day," and the U.S. military troops will leave Guantanamo. He explained, however, that this is one of those "lengthy battles," like the one that was waged "for the recognition of the PRC in the United Nations."

Castro said the U.S. blockade is "a great obstacle to Cuba's economic development."

The U.S. blockade has been joined by the "involuntary" blockade of the USSR because owing to the "chaos and anarchy that has occurred there," (the USSR) is unable to meet its most elementary trade commitments" to Cuba, Castro said.

"The USSR does not wish to blockade us. The USSR has made great efforts to comply with its economic commitments to us, but it is unable to," Castro added.

The failure to meet commitments to Cuba "has become a de facto blockade," Castro said. He explained that the lack of spare parts for factories, equipment, and machinery is similar to the scarcities that occurred on the island when the United States decreed the isolation of Cuba at the beginning of the revolution.

Nuclear Plant Work Continues With Soviet Help

PA0911005491 Hamburg DPA in Spanish 1614 GMT 8 Nov 91

[Text] Havana, 8 Nov (DPA)— Juan Rodriguez, chief of the Nuclear Directorate of the Ministry of Basic Industry, said here 8 November that Cuban and Soviet technicians continue construction and installation works at the Juragua Nuclear Electricity Plant in Cienfuegos Province.

In statements to DPA, the top official said he lacks official information about an alleged Russian decision to suspend the financing of this project.

Rodriguez, who heads the project in Cuba's central region, said: "We are waiting for a denial from the Moscow authorities. Meanwhile, we continue to build the plant, whose main reactor will begin operating in 1993."

The Cuban official reported that a delegation of Soviet experts will arrive on the island next week to analyze the project's 1992 needs.

In a statement published in NEZAVISIMAYA GAZETA, a Moscow magazine, Gennadiy Filshin, the Russian Federation's minister of Foreign Economic Relations, announced his government's decision to suspend the nuclear project's financing.

Yuriy Zelenetskiy, vice president of "Atomenergoexport," in charge of the plant's construction, described the Moscow magazine report as "false and inaccurate."

Cuban officials in Moscow assured the Cuban media that the Soviet Government's financing of this project is approved until 1992.

Soviets To Discuss Training Center Withdrawal

FL1311142591 Havana Tele Rebelde Network in Spanish 1325 GMT 13 Nov 91

[Text] The TASS News Agency and the Information Directorate of the Soviet Foreign Ministry have reported that a Soviet delegation left today for Cuba to discuss the withdrawal of the training center from Cuba. The Soviet delegation is headed by Vyacheslav Ustinov, ambassador for special missions.

Diplomatic Relations Established With Estonia

FL1311155791 Havana Tele Rebelde Network in Spanish 1303 GMT 13 Nov 91

[Text] Cuba and Estonia have established diplomatic relations based on the principles of respect, territorial integrity, self-determination, and noninterference in internal affairs. Cuban Embassy sources in Moscow have told PRENSA LATINA that the agreement was initiated last night in Tallinn, captial of this Baltic state. Foreign Trade Minister Ricardo Cabrisas signed the document representing Cuba; and Rein Mullerson, deputy minister of foreign relations signed for Estonia.

A Cuban commercial delegation is also in Tallinn discussing details for a bilateral trade agreement. Estonia, Lithuania, and Latvia formed part of the Soviet Union but on 6 September their declarations of independence were approved.

Sugar Sales To Baltic, Ukraine, Russia Eyed

PA0911142991 Mexico City NOTIMEX in Spanish 2047 GMT 8 Nov 91

[Text] Mexico City, 8 Nov (NOTIMEX)—The Cuban Government has initiated negotiations with the three Baltic republics, the Ukraine, and Russia to sell them sugar and avoid flooding the world market, Guillermo Galvez, a Cuban sugar industry spokesman, said in Mexico City on 8 November.

The Sugar Industry Ministry official stated that Latvia, Estonia, and Lithuania, which recently broke away from the Soviet Union, as well as the Ukraine and Russia, are willing to import sugar from Cuba.

Meanwhile, Jose Antonio Carrera, secretary general of the Group of Latin American Sugar Exporting Countries warned in Mexico that future negotiations between Cuba and the USSR will affect the international sugar market.

In 1990, Moscow and Havana have signed a renewable one-year agreement whereby the Soviet Union will import 4 million tons of sugar. The cancellation of the contract would have repercussions on world production and consumption.

Galvez denied that the Soviet Union will stop importing a product that is "so necessary to their people, who are starving," and who are experiencing shortages because of political and economic changes.

He added: That country's current reserves are likely to last until late 1992. With the future of our relations so uncertain, they may have to seek sugar in the world market and we may have to go back to trading.

Cuba is the world's largest producer of sugar, with an annual production of 8 million tons, 600,000 tons of which goes for domestic consumption.

The Cuban official said that Latin American countries, such as Mexico, Brazil, and Colombia, ought not to worry if Moscow and Havana do not renew the contract, because "we already have other customers."

"This situation will create complex prospects in Latin America's producing and exporting countries," he noted.

He warned that Cuba will not reduce its production of sugar and sugar byproducts, "because there is no logical reason to do so. We have pending orders and will move ahead."

Should trade relations with the Soviet Union be broken, the sugar sold to it would be used domestically for livestock feed to improve the quality of meat and pork, Galvez stressed.

Mexican Embassy Notes 'Favorable' Trade

PA1311003191 Mexico City NOTIMEX in Spanish 1242 GMT 8 Nov 91

[Text] Havana, 8 Nov (NOTIMEX)—The Mexican Embassy in Cuba has taken the position that shifting regional markets and the trend toward world markets make this a "favorable moment" to create a business boom between Mexico and Cuba.

The study conducted by the Mexican mission cites the free trade agreement as demonstrative of this shift and the emergence of these trends.

By separating the respective "financial limitations between the two countries," real possibilities have been created to increase the quality and amount of economic, financial, industrial, technological, and market trends, stated the document, which was addressed to Mexican industrialists.

The Mexican Commercial Advisory Office in Cuba has indicated that the changes in the Cuban economy have make it possible for Mexican firms to take greater advantage of business opportunities that are opening "in an environment that remains stable."

According to the analysis, "the time is especially favorable for Mexico," because all the elements exist for "Mexico to become Cuba's rightful partner."

Carlos Sanchez Lara, Mexican commercial adviser in Havana, initiated the study five months ago to encourage Mexican businessmen to invest in Cuba, which is described as "an opportunity of which to take advantage."

The Mexican Commercial Advisory Office called on Mexican investors not to waste, "but instead take advantage of" the opportunity to do very good business with Cuba. The study concerned three aspects: Cuba's economic problems, new development strategies, and changes in Mexico's viewpoint.

"Most of the time Mexicans do not consider Cuba. Cuba is treated as if its market were the same as other Latin American and Caribbean markets, when they are not; they are different," Sanchez underscored.

With regard to the results of the study presented to several Mexican businessmen, some of whom attended the Fourth Havana International Fair, the commercial advisory office indicated that shortsightedness, and short-term, timid, and abusive outlooks "have hindered business with Cuba, our natural market, our third border."

Sanchez analyzed Cuba's present-day economic situation and stated that "for internal and external reasons, Cuba is today undergoing the most severe economic crisis in its history."

He explained that the slump in sugar prices and the drop in international oil prices has caused economic deterioration since 1986.

"Shortly after the internal crisis came the rapid changes in East Europe and the Soviet Union, countries with which Cuba conducted 80 percent of its trade," Sanchez added.

He pointed out that Cuba's strategy to face the decade of the 1990's is based on assigning priority to activities that capture short-term and medium-term foreign currency, restrict hard currency expenditures, and contract the domestic market.

Sanchez believes that what stands out is the reorientation of Cuba's commercial policies toward Latin American markets, especially Brazil, although he clarified that despite credit restrictions, Mexico did $105 million in business in the Cuban market last year.

Sanchez said that Fidel Castro's Cuba "is changing," without implying, from Castro's point of view, "an abandoning of the socialist system."

The Mexican commercial advisory office said that during the 1980's, Cuba's tourist sector began a trend that now sets the pace for many other branches of the economy.

"The same thing happened 490 [as received] years ago; the Spaniards were the first to arrive," the Mexican Commercial Advisory Office added.

As a result of the current economic situation, Cuban production has been hampered by late deliveries of raw materials, especially from the Soviet Union," the report adds. [no opening quotation marks as received]

Installed capacity utilization "is dramatically less than two years ago," but the Cuban Government has tried to preserve it by encouraging joint production with businessmen from different countries.

According to the Mexican commercial advisory office in Havana, this has been asserted as a way to resolve the Cuban problem: further utilizing installed capacity, modernizing production, making production processes more efficient, maintaining employment levels, and increasing foreign exchange.

The advisory office has listed the guarantees granted by the Cuban Government for investment in Cuba through mixed capital enterprises.

The Mexican commercial advisory office disclosed in its report that foreign participation may reach 49 percent of the shares and in some cases as much as 50 percent.

The office added that other investment guarantees are the repatriation of utilities, no gross income tax for businesses, and total independence from the government once the business has begun.

The Mexican commercial advisory office identified projects that "will permit the establishment of lines of credit" to finance these business trends, raise financial ceilings, and increase Cuba's credit standing.

UJC on Plan To Curb Juvenile Delinquency

PA1211123091 Paris AFP in Spanish 1718 GMT 11 Nov 91

[Text] JUVENTUD REBELDE, a weekly published on Sundays, has announced that the Union of Young Communists (UJC) is considering a "plan of action against crime" in areas of Havana "where youths gather."

At its last meeting the UJC's National Bureau examined "the crimes perpetrated by youths during the first six months of the year," states the weekly, the UJC's mouthpiece.

The weekly, without citing figures, made reference to the "increased crime rate" during that period, and commented that "most crimes are perpetrated by youths."

The weekly cites, without delving into specifics, "cases of embezzlement, theft, violence, and shady deals (the black market)," as well as "problems of social indiscipline, acceptance of the purchase and sale of products of doubtful origins, refusal to pay bus fares, and little rejection of vagabonds and scum."

In Cuba there are "approximately 88,000" youths who neither study nor work, states the article entitled "Show Crime Your Fists."

The plan of action is aimed "against the crimes perpetrated at Havana's sea wall and other areas where youths gather, and where black market exchanges are conducted in a particularly shameless manner," according to the weekly.

The Sea Wall, an avenue that runs along the coast throughout most of the Cuban capital, is currently one of the favorite gathering places for young men on bicycles and young girls eager to strike up friendships with visiting foreigners.

Human Rights Activists on Government 'Harassment'

PA1111161991 Mexico City NOTIMEX in Spanish 0020 GMT 9 Nov 91

[Text] Havana, 8 Nov (NOTIMEX) - The Cuban Human Rights and National Reconciliation Commission [CDHRN] condemned the acts of "harassment" launched by the government against Cuban opposition activist Ramiro Restano, president of the Social Democratic "Harmony Movement" [Movimiento Armonia].

According to the CDHRN, Ramiro Restano received a second official warning "for his political activities opposing the government, and accuses him of taking steps headed toward preparing and distributing enemy propaganda."

CDHRN President Elizardo Sanchez deplored the government's decision to "continue steadfast in its use of repressive practices" that are universally condemned "against peaceful human rights advocates."

Mr. Sanchez added that the accusations against the Harmony Movement activist could be described as terrorism, "taking into account that the line followed by this organization is one of open confrontation" contrary to the government policy of President Fidel Castro.

Sanchez urged the Castro government leaders to "abandon their rigid position and to promote and participate in a process of dialogue and national reconciliation." They added that a national dialogue is the solution to Cuba's current general crisis.

Gas Company Denies Shortage Due to Lack of Fuel

FL1211162991 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Nov 91

[Text] We have been receiving calls from people asking about the gas shortage. I wish to inform you that the Mario Fortuny Manufactured Gas Enterprise has reported that the two boilers at the Evelio Rodriguez Trubel Plant Number Two in Guiniao, are down. A line being repaired at the Mario Fortuny Plant Number One went into operation at 1400 to help alleviate the situation. This is being done with the help of the Nico Lopez Refinery. The report adds that it is not known when the repairs on the two boilers will be completed, however, work continues to repair the damage. The people are asked to ignore rumors that the gas shortage is the result of a lack of fuel because the necessary fuel has been guaranteed. Updates to this report will be broadcast on Radio Rebelde.

Plant Resumes Operations

FL1311181891 Havana Radio Progreso Network in Spanish 1725 GMT 12 Nov 91

[Text] Today the Evelio Rodriguez Trubel factory in Guiniao resumed producing manufactured gas. This installation stopped servicing the population due to operation hindering problems. Angel Demereo, director of the gas manufacturing plant in Guiniao explained that gas supplies will resume today to all municipalities of the capital.

Inter-Caribbean Affairs

Caricom Stand on Guyana Elections Criticized

FL1311182891 Bridgetown CANA in English 1735 GMT 13 Nov 91

[Text] Port-of-Spain, Trinidad, Nov 13, CANA—Trinidad and Tobago's opposition leader Basdeo Panday has accused Caribbean Community (Caricom) leaders of racism over their failure to condemn alleged irregularities in the Guyana's electoral system.

"Caricom is prepared to shout its mouth off where democracy is being threatened, like in Haiti and Panana and even far away South Africa.... But not when it comes to Guyana," he said. Pandy was alluding to the Afro-Guyanese dominance of politics in a country where they are slightly outnumbered by Indo-Guyanese.

"I believe Caricom leaders must stand accused of racism in its relations with Guyana," Panday told the CARIBBEAN NEWS AGENCY on Tuesday.

"One can only conclude that they are motivated by consideration of racism."

Panday said if Caricom was serious about democratic elections being held in Guyana, it would send its own team of observers and not one incorporated in the Commonwealth team.

President Desmond Hoyte on Sunday announced December 16 polls despite opposition over a seriously flawed voters list. Panday said if the list is not corrected and elections take place Caricom should impose economic sanctions on the country.

"If Hoyte should go ahead and hold elections and if the opposititon perceived that the elections are rigged, then he would be destroying Guyana even further," he said adding that foreign investors would not want to invest in the country.

"Unless human resources can be motivated, there is no hope for economic advantage and that has been a root cause in the economic problem of that country."

Dominican Republic

Foreign Secretary on Haitian Exile Requests

FL1311190091 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 13 Nov 91

[Text] The secretary of state for foreign relations has said that the requests for exile by various Haitians who fled persecution in their country are under review.

Dr. Juan Aristide Taveras Guzman explained that the Dominican Government had also received requests to receive those Haitians who are fleeing by sea. A large number of Haitian citizens have been rescued in the Florida Straits en route to Miami, Jacksonville, and other ports. It has been officially confirmed that the Government of the United States has asked the Dominican Republic to accept those rescued on the high seas who are fleeing persecution in their country.

Taveras Guzman stated that the country is unable to accept a massive invasion of exiles, noting that several specific cases of asylum are under study. The foreign secretary considers that under the claim of persecution there could be a stampede if the Dominican Republic declares itself open.

Military on Alert Along Haiti Border

FL1311194391 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 13 Nov 91

[Text] A military alert was called in Jimani, Independencia Province, when an unidentified airplane overflew that Dominican area the night before last [11 November]. The small aircraft, flying without lights, penetrated Dominican airspace coming from Haiti and flew in a southerly direction, toward Pedernales.

Jimani, in the extreme southwest along the Dominican-Haitian border, has no airbase or other military installations. The closest base is in Barahona. Information from Jimani indicates that some 30 Haitians penetrated Dominican territory some days ago, but were returned by local militia. The group was fleeing Haiti because of the chaotic situation created by the military coup d'etat that displaced President Jean-Bertrand Aristide.

National Army officials have arrested foreigners and repatriated them at the border point at Mal Paso.

The military alerts have been repeated from Manzanillo in the extreme north down to Pedernales in the south after dozens of Haitians entered the country illegally. The overflight of small aircraft has been repeated various times, always at night. An air response by Dominican forces has not been observed.

Oil Refinery Acts To Prevent Shipments to Haiti

FL1311181391 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 12 Nov 91

[Names as heard]

[Text] Dr. Arturo Martinez Moya announced yesterday that the Dominican Oil Refinery had adopted measures to prevent shipments of petroleum to Haiti. The administrator of the Domincian Oil Refinery, REFINDOMSA, indicated that methods had been established in order to impede the shipping of oil products to the neighboring state. Jimenez Moya did not specify the methods being used to prevent shipments by land and by sea. The refinery has demanded that the owners of service stations maintain strict control over sales in order to prevent any deviation of gas, diesel or other products. The controls include the regsitration of wholesale purchases. The product most in demand in Haiti is diesel.

Haiti

OAS Mission Head on Talks in Port-au-Prince

PA1311135691 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1252 GMT 12 Nov 91

[Telephone interview from Port-au-Prince with OAS mission head Augusto Ramirez Ocampo by unidentified reporter—live]

[Text] The meetings between the OAS mission, coupist General Raoul Cedras, and de facto Prime Minister Jean-Jacques Honorat have shown that a commercial embargo is the only effective means to return democracy to Haiti. The OAS members in Port-au-Prince have also met with Rene Preval, former prime minister of President Jean- Bertrand Artistide's toppled government. The OAS civilian mission is headed by former Colombian Foreign Minister Augusto Ramirez Ocampo. Caracol has telephoned Ramirez Ocampo in Port-au-Prince and will talk to him right now.

Augusto Ramirez, good morning. Our reporter Judith Sarmiento has just read a report on your mission to Haiti and we were surprised to hear you were able to meet with Prime Minister Rene Preval, who is in hiding.

[Ramirez] We have tried to contact all the actors in this Haitian drama. We first contacted the authority we recognize: the parliament. We met with them as soon as we arrived and I was able to address a plenary session on the mission's objectives. After that, we initiated negotiations with an eight-member commission, which the Congress appointed for this purpose. We also met with Prime Minister Preval and five of President Aristide's ministers on 11 November. These officials have taken asylum in the French Embassy and that is where we met them. We have also held very long and complicated meetings with de facto Prime Minister Honorat, Gen. Cedras, and all his command staff. We have met with

nongovernment, religious, and human rights organizations, and with OAS ambassadors—both members and observers. We will continue with a new round of talks with the representatives of all the political parties.

I believe these talks will give us a more comprehensive view of the situation and will allow us to study more objectively options to solve the crisis. The solutions to this crisis are not easy to attain because of the enormous division in the country and the confrontation and violence that has surrounded the conflict.

[Reporter] Is Aristide's return to power unrepealable?

[Ramirez] Well, we have an absolutely clear mandate in this respect. The OAS has said that our task has to be done within this framework. I believe we have to find constitutional solutions. Fortunately, the Haitian Constitution is based on a parliamentary system. There is a president who is elected by the people and that is President Aristide; there is a prime minister, whose appointment is determined by the majority party in Congress. However, there is no majority party in the Haitian Congress at this time. Thus, we would have to apply Article 137 of the Haitian Constitution. This article determines that in cases such as this one, the President of the Republic; [name indistinct], the President of the Senate of the Republic; and the President of the Chamber of Deputies must select the person who is to be the prime minister. I believe we should first try to find a prime minister who will be acceptable to all so that process can advance. Such a situation would also allow the OAS mission to create conditions of trust and mutual respect to reach a national agreement and to avoid a very distressing situation.

Advocates Aristide Return

FL1411001791 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 13 Nov 91

[Excerpt] Augusto Ramirez Ocampo, president of the OAS civilian peace mission in Haiti, advocated the creation of a structure that would favor dialogue and allow a solid democracy to be established in the country. He believes a favorable groundwork must be built through dialogue to facilitate the return of Father Jean-Bertrand Aristide to power and to establish necessary guarantees for normalization of the country's situation.

In a speech given in French and broadcast by several stations in the capital, including state television, the OAS delegation president expressed his conviction that the Haitian people will find a solution to the crisis. He explained that the OAS mission's purpose is to facilitate the establishment and reinforcement of democratic institutions, respect for the Constitution, and human rights for all Haitians. The sooner understanding occurs, the stronger will be the concerted action that will make the reinforcement of democracy possible; and the more quickly will we be able to organize efforts for collaboration so that Haiti can receive economic support from the international community, he added.

Senate President Dejean Belizaire responded by asking the OAS to lift the embargo imposed against Haiti [words indistinct], and a joint parliamentary committee reaffirmed their opposition to the return of Father Jean-Bertrand Aristide. [passage omitted]

OAS Said Facing 'Great Difficulty

FL1411004291 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 13 Nov 91

[Text] A source close to the OAS mission reports that the delegation is facing great difficulty in the negotiations begun with Haitian authorities on 10 November for finding a solution to the political crisis in the country, because each party is maintaining its original stance. This means that both the provisional government and the military authorities disapprove of the return to power of the overthrown president.

Former Prime Minister Rene Preval, on the other hand, along with five ministers who accompanied him during negotiations, demanded that all military men involved in the 30 September coup be expelled.

The OAS mission noted that neither the parliament nor the political sector in Haiti approve of the embargo which, according to specifications cited by those two sectors, is not in compliance with OAS principles in that it is increasing the country's misery. In view of these factors, the OAS is considering, based on security assurances, sending a humanitarian mission to Haiti to mitigate the consequences of the embargo, says the same source.

On 12 November, the OAS mission met with major political leaders, including Mirlande Manigat of the Assembly of Progressive National Democrats; Marc Bazin, representing the Movement for the Establishment of Democracy in Haiti; Louis Dejoie of the National Agricultural and Industrial Party; and Rene Theodore and Max Bourjolly of the Movement for National Reconstruction. The OAS delegation was scheduled to meet again with Haitian Prime Minister Jean-Jacques Honorat.

Demonstrators Salute OAS Delegation

FL1411021091 Port-au-Prince Radio Nationale in Creole 2300 GMT 13 Nov 91

[Report by Roland Chery at the International Airport in Port-au-Prince on November 13—live]

[Text] People have been gathering at the international airport in Port-au-Prince since 1600 GMT, awaiting the arrival of the OAS delegation which is due to leave today. We see many posters, and the demonstrators are chanting their opposition to the embargo, the return of Aristide, and necklacing.

Those gathered at the airport intently focused their attention on the news conference held by Mr. Ramirez Ocampo at the Hotel Montana. When Ramirez Ocampo mentioned the possibility of lifting the embargo, the

people chanted: Down with embargo! Down with embargo! Hope has increased that the negotiations will result in Haiti's favor. The demonstrators were extremely happy, and cheered when they heard that the negotiations would continue in a different country.

The assembly is chanting and dancing as they await the OAS mission's arrival. They plan to bid the delegation good-bye and express their hope that the delegation will request the lifting of the embargo as soon as it arrives in Washington. [Much noise in background; demonstrators chanting]

At 2325, the OAS delegation arrives at the airport. Demonstrators are chanting and dancing, shouting, Aristide no! Democracy Yes! The people are waving their arms.

Dominicans Mount Border Watch on Fuel Shipments

FL1311205591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Nov 91

[Excerpt] According to an official source in the Dominican Republic, the Dominican Government will monitor shipments of oil and gasoline along its entire border to prevent these products from entering Haiti. Following a meeting with distributors, the president of the Dominican Petroleum Refinery asked that they screen anyone wishing to buy gas for shipment to Haiti.

News from the Dominican Republic also reports that the authorities arrested a Dominican official who was helping Haitians cross the border to buy gas. The same source adds that it is possible that over the next few days, the Dominican military will begin to guard the border to prevent oil and gasoline from entering Haiti.

Dominican Vice Chancellor Pablo Erera Cabral stated that even though the embargo against Haiti will also affect the Dominican Republic, Dominican authorities will make every effort to respect the embargo. [passage omitted]

Soldiers Arrest Students, Journalists 12 Nov

FL1311165891 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Nov 91

[Excerpt] Yesterday, the military in Port-au-Prince disrupted an assembly being held by a group of students and members of the National Federation of Haitian Students at the Faculty of Sciences building. The military arrested approximately 50 students. They struck many people with nightsticks and took the students to the Anti-Gang Service.

At the same time, the military arrested at least eight journalists who were covering the gathering. Our colleague Fernand Biyon who went to cover the meeting for us and a foreign journalist were among those arrested. Radio Galaxie reporter Miche Sully and former Radio Nationale journalist and Voice of America correspondent Jean-Robert Philippe were also arrested. Three foreign journalists, who had been arrested, were released following a captain's intervention.

At the time of the arrests, the military destroyed all the journalists' equipment, seized their press cards, and took down their addresses. Jean-Nazaire Tide, a FOPWEN [expansion unknown] member, who was present, tells us what happened.

[Begin Tide recording] We forcefully denounce the brutal intervention of the Port-au-Prince Police at the Faculty of Sciences building where they arrested approximately 50 Haitian students. We especially denouce the arrest of the (?8-Student) Initiative Committee spokesman Ronald Louis. They [words indistinct] the Anti-Gang Service with him. We urge human rights organizations in and outside of the country to quickly intervene in these human rights violations. We ask the Parliament to take its responsibility in view of the illegal arrests being carried out by the Haitian Armed Forces. I witnessed a number of students being arrested. Even journalists were not spared during the arrests. Article 28 of the Constitution gives us the right to take to the streets to express our grievances.

They arrested over 50 students. [Words indistinct] militants of the people's organizations that were also present at the time. I can tell you their attitude.... [changes thought] They began hurling stones at the faculty building. Stones rained down on the building. Then, they surrounded the faculty building. At the same time, they [words indistinct]. We escaped by the skin of our teeth. [passage omitted] [end recording]

Police Arrest 7 Demonstrators During Mass

FL1311172491 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Nov 91

[Text] A reliable source reports that yesterday afternoon the Port-au-Prince Police arrested seven people during a mass that was being celebrated at Saint Gerard Church, which is located in the center of the capital. These arrests occurred during a mass that was being celebrated by Father Antoine Adrien who is a close associate of the ousted president. The policemen fired numerous shots into the air in order to disperse several young people who were planning to demonstrate in favor of Father Jean-Bertrand Aristide.

Police Chief Explains Rules on Demonstrating

FL1311180891 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Nov 91

[Text] During an interview on state television, Port-au-Prince Police Chief Major Michel Francois was asked why only one group of people was allowed to demonstrate. According to this officer, the people who demonstrate against Father Aristide and the OAS embargo do so without violence and without setting fire to people. Whereas, the other sectors always demonstrate with violence by breaking car windows. That was this officer's explanation which corresponds to what the AGENCE FRANCE PRESSE has reported.

El Salvador

Cristiani Says Negotiations May Be Abandoned

PA1411161391 San Salvador Radio Cadena Horizonte in Spanish 1230 GMT 12 Nov 91

[Report by Alexis Diaz]

[Text] President Alfredo Cristiani has restated that the government will abandon the negotiations in Mexico City if the Farabundo Marti National Liberation Front [FMLN] does not suspend its military actions and sabotage, which affect the civilian population. He accused guerrilla groups of launching an offensive in the country several days ago. The president explained that the decision to abandon the negotiations does not represent a definite withdrawal from the talks because the peace process is irreversible, and none of the parties can make such a decision.

Cristiani said the official dialogue commission will abandon the negotiations if the guerrilla groups do not accept the government's proposal to suspend their acts of economic sabotage. He added that the peace process will be renewed when an appropriate atmosphere for the talks prevails.

[Begin Cristiani recording] We have not talked about pulling out of the process, only of pulling out of the negotiations until a more adequate atmosphere is found to continue them. I do not believe anyone can justify what the FMLN has done recently. We have sent three reports to the United Nations and we will continue to evaluate the situation until the appropriate atmosphere prevails. We could eventually decide to abandon the negotiations if the appropriate atmosphere does not prevail. This is different from abandoning the process. [end recording]

The government's decision to suspend the peace talks until the rebels give up their violent acts is not the result of pressure exerted from abroad, which is what anonymous extreme right groups that oppose the negotiations claim, Cristiani said. He added that it is a result of our own decisions.

Alfredo Cristiani accused the guerrilla groups of launching a military offensive since the peace talks were renewed in Mexico City on 4 November. He reasserted that this jeopardizes the negotiation process because the FMLN increases its acts, which affect the civilian population, while efforts are being made to end the war.

[Begin Cristiani recording] The psychological war is less harmful than the destruction they cause but I do not believe that what recently occurred represents isolated cases. I think it is part of an overall strategy rather than isolated cases that occur on any given day. I think this is an overall strategy aimed at destabilizing the country. We see no other explanation. We think that these violent people do not want to give up their custom of waging an offensive every November. We certainly believe that this is an offensive, perhaps not like the one they unleashed in 1989 or 1990. Unfortunately, this one is worse because they have only attacked civilians, and this is certainly a cowardly offensive. [end recording]

The president asserted that he will not accept a military truce or an informal cease-fire like the FMLN has proposed, adding that the official dialogue commission attends the Mexico City meeting firmly determined to reach agreements that will allow them to definitely end the war.

END Issues Communique Proposing Immediate Truce

PA1311154991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Nov 91

[Communique issued by military commanders of the National Army for Democracy, END, on 12 November; place not given]

[Text] National Army for Democracy [END] Communique:

1. Despite our repeated efforts to agree on a military truce to stop bloodshed and create a more favorable framework for the peace talks, the government and the Armed Forces have threatened to walk away from the negotiating table, alleging that the FMLN [Farabundo Marti National Liberation Front] has launched a third military offensive. This is untrue, because END's main commanders are in Mexico contributing to the peace negotiations.

2. FMLN military operations are defensive responses to the Armed Force's current plans. Our operations could stop immediately if the warmongering sectors halted their offensives. The Armed Forces have proved their inability to deter the FMLN on countless occasions.

3. We challenge the government and the Army to declare a truce that includes an immediate end to military clashes and offensive operations by both sides. This would mean that the FMLN would stop sabotage activities and halt actions in cities and on roads. For the Armed Forces, this would mean an end to operations in FMLN- controlled areas and the withdrawal of troops, an end to air and artillery bombardments, an end to captures and the repression of people's movements, as well as an end to intimidation activities.

4. These proposals are intended to create a proper atmosphere for the negotiations, which are now in the final stages. Under no circumstance are our proposals meant to extend the war; they are meant to advance toward the goal of peace.

[signed] END Military Commanders
[dated) 12 November 1991

FMLN Commander Denies Reports of Offensive

PA1311170991 San Salvador Radio Cadena YSU in Spanish 0130 GMT 12 Nov 91

[Statement issued by Jorge Shafik Handal, commander of the Farabundo Marti National Liberation Front, FMLN, on 11 November; place not given—recorded]

[Text] I would like to tell the Salvadoran people that I have decided to give these statements even though I will break the guidelines I had set for myself, and even though we made a pledge with the government during the negotiations. We pledged that the members of the commissions directly involved in the final phase of the negotiations should avoid getting involved in this publicity war. I am compelled to address the Salvadoran people in an effort to clarify the situation and to establish some objective guidelines so the people may reach their own conclusions.

First of all, we are seriously working at the negotiations—just as Oscar Santamaria admitted in a statement given to Radio Cadena YSU this very day, and as President Cristiani mentioned—and we are achieving progress. That is the first thing. We have told the Salvadoran people that we will work so that this year will be the year we achieve peace, and we are seriously working to achieve this goal.

When the New York Agreements were reached, it was evident that the only thing pending was the final part of the negotiations and the best thing for everyone, the best thing for the country, the best thing for the sake of peace, and the best thing to achieve progress in the negotiations would be to stop the fighting. This is what we requested and what we offered to the government on different occasions, but the government has ignored this offer.

The government has refused to negotiate a cease-fire and to create the positive atmosphere necessary for this final part of the negotiation. The government has argued—and President Cristiani confirmed it—that it wants a definite cease-fire rather than an armed peace. According to the government's argument, this is what we reportedly want—to prolong the war. I want to tell the Salvadoran people that this is not true. We have pledged, in writing, that we will negotiate a definite cease-fire once the negotiations on political issues have ended.

The negotiations on pending political issues are progressing quickly and we reassert our pledge to negotiate a definite cease-fire—and to sign the agreement for a definite cease-fire—once we conclude the negotiations on these other issues. We want this year to end with a cease-fire. Although we are determined to achieve this goal, and we hope the government is determined to achieve this goal, we suggested the suspension of fighting to create an atmosphere that favors the negotiations. This should not counter the pledge to negotiate and sign a cease-fire when we conclude negotiating on political issues. This, I repeat, is our pledge and the government is aware of this; but the government has not accepted this pledge.

I want to tell President Cristiani that I can understand the pressure he feels in this final stage of the negotiations. I want to tell him publicly that we share the responsibility and commitment to remain dedicated to the work we are doing, in spite of all the pressures. The pressures are understandable. It is unacceptable that Cristiani acts in a destabilizing or immature manner and jeopardize the talks.

This business of threatening to withdraw from the negotiations contradicts the Geneva Agreement, which the government signed on 4 April 1990. That agreement clearly specifies that we would not withdraw from the negotiating table. If these threats are being made now, one can very well imagine what the consequences will be.

It is said that this attitude is motivated by the military actions of the FMLN [Farabundo Marti National Liberation Front]. It is claimed that this means we are not willing to achieve peace.

I have just said—and I am hereby reaffirming this on behalf of the FMLN—that we have offered, and we uphold that offer, a cease-fire immediately. I would say we could reach a cease-fire in a matter of hours, if we reach an understanding.

I repeat: We could cease combat to favor the negotiations. That has nothing to do with what is called armed peace and so forth. That does not change our commitment to begin to negotiate and sign the definite cease-fire.

Some people wonder why these political actions are conducted and why the FMLN conducts military actions. The military actions of the FMLN are within the logic of military confrontation. The government—that is, the Armed Forces—are conducting operations on all fronts, on our positions. Instead of accepting our proposal to cease combat, it continues with these operations that seek to destabilize us at the last minute, in a desperate attempt to gain in the military field what it has already been proven cannot be won in the military field. Within that logic, we are forced to carry out actions, to respond. We cannot restrict our response to the areas where we are attacked.

The war has its own logic. Military strategy and tactics have their own logic. Unfortunately, this logic does not correspond to political and moral logic. That is why we have proposed to stop all combat during the negotiations. I am reiterating that here right now.

To conclude, I want to tell President Cristiani—and I am forced to do it in public, because he has decided to manage this in public—that it is best that he calm down. It is best to assume fully the responsibility we have taken upon ourselves. It is best to strive to culminate this final

phase of the negotiations that is in the interests of our people and that meets the interests of the country and its immediate future.

That is what I wanted to say as chief of the FMLN delegation to the negotiations in response to the statements by President Cristiani, that had been preceded by similar statements by Oscar Santamaria, who should not get involved in this type of propaganda war at such a difficult moment. Thank you very much.

Guatemala

President Serrano Comments on Talks With URNG

PA0811173091 Guatemala City Teleonce Television in Spanish 1800 GMT 7 Nov 91

[Text] President Jorge Serrano said today that the government is prepared to continue the dialogue with the Guatemalan National Revolutionary Unity [URNG] until a peace agreement is secured. Serrano was commenting on a statement issued yesterday by the URNG. The rebels rejected a statement that was attributed to the president; according to the president's statement, the most recent talks between the rebels and the government in Mexico City failed because of URNG intransigency. The URNG said that the government is opposed to the implementation of immediate measures to guarantee the end of impunity. During an unscheduled news conference, President Serrano responded to the guerrilla statement and explained his position.

[Begin Serrano recording] In view of the statements issued by the URNG, I want to clearly explain that the government will function within a legal framework. No legal or illegal group will make us act outside the law. I was elected legitimately through the sovereign and legitimate will of the Guatemalan people.

Regarding impunity, I want to say that no other government in this country's history has acted with as much force against impunity as my government. Evidence of this is the changes we have made in various organizations and institutions because of faults or abuses. Regarding impunity, I want to say that the illegal rebel forces should stop committing crimes in the country with impunity. The impunity issue has to do with them also. This is why we feel they should join the country's legal life and obey the law, which is what we defend. The legal system must prevail in this country and I hope the URNG will understand that a constitutionally and legally elected president cannot violate the Constitution or the law, regardless of demands or requests to the contrary.

It was clearly established in the Mexico agreements that all the negotiations would take place within a legal framework and they will be carried out in accordance with the law. This is why we are surprised by efforts to make us negotiate outside the legal framework. We have good intentions. There have been charges that we do not want to put an end to impunity. Putting an end to rebel actions also contributes to the end of impunity. The rebels act outside the law, and this constitutes impunity. This must be understood by them and by all Guatemalans without exception, regardless of where they are and what they do. This is the objective on which we are working. [end recording]

Both Serrano and Secretary General of the Presidency Manuel Conde, head of the government delegation participating in the talks with the URNG, commented on the rebel charge that neither the government nor the Army has guaranteed the integrity of a female guerrilla commander in spite of the fact that in Mexico they committed themselves to do so.

[Begin recording] [Serrano] I found out about this today when I read the papers. This was never mentioned at the negotiating table.

[Unidentified reporter] As commander in chief of the Army, what will you do to satisfy this request?

[Serrano] As I have already reported, today I will find out if this arrest was made. There are arrests in the country daily. There is no reason for me to be informed about all the arrests that are made. [end recording]

[Begin Conde recording] At the latest meeting the guerrillas did not say anything about this. URNG Commander Rodrigo Asturias told me about his personal concern over the situation. I can tell you that we, as government officials, told the rebel groups in the Pali zone that they were negatively affecting the people who had to endure the paralyzation of traffic. We told them they were endangering their lives as well as those of the people in the area. The guerrillas, however, continued blocking traffic and showing up for international propaganda purposes. The Army, in compliance with the law, must take action. The result, unfortunately, was that six persons—one soldier and five rebels—died in a clash. As I told Commander Asturias: We regret those casualties, regardless of whether they are Army or guerrilla casualties because we are all Guatemalans and we want to put an end to the deaths.

We understand there were many guerrilla casualties in that clash. Five wounded guerrillas remained at the site of the clash and others were removed by other guerrillas. Some of those who were removed probably died from their wounds. We know that many of them are lost in the forest to which they fled. We have no official report from the Army on the arrest of the guerrilla commander. But as the president said: We are checking to see if she was really arrested. I can tell you, though, that the official report is that five guerrillas and one soldier were killed. But based on the number of wounded guerrillas, there may be more guerrilla casualties; we deeply regret this.

Regarding the arrest of the commander, the young woman could be hiding somewhere in the countryside. If she is arrested, the Army will report her arrest to us. [end recording]

Army Official Comments

PA0811190391 Guatemala City Teleonce Television in Spanish 1800 GMT 25 Oct 91

[Text] The Army is confident that an understanding will be reached between the government delegation and the Guatemalan National Revolutionary Unity, URNG, at future sessions of the talks searching for a peace agreement for the country. These remarks were said by General Marco Antonio Gonzalez Taracena, a member of the government delegation, on the afternoon of 24 October when the negotiating team returned from Mexico following the fifth round of talks, which failed to reach a human rights agreement.

[Begin recording] [Gonzalez] The Army is calling for a broad-based peace plan that will include the four basic points of the peace proposal set forth by the constitutional president of the Republic. Although the proposal includes a first phase on ways to end the armed conflict, it also contains three other broad phases dealing with ways to end the social and economic conflict in Guatemala and with ways to deepen respect for the law and the democratic system.

The viewpoint of the Army is strategic, not tactical. (?It takes an overall view with regard to procedures.) Differences may emerge in one or another of the phases, which is normal. Despite the belief that these differences could weaken the process, the opposite is true; these differences will strengthen the process because they will lead to a search for impartial solutions, which is what the Guatemalan people want.

[Unidentified reporter] Would you describe the human rights issue as a burning one? We have not attained any results and it was announced that human rights would be the final topic [words indistinct].

[Gonzalez] I would not describe it as a burning issue because that would lead to a confrontation. It is a very special issue and it must be carefully considered due to the depths of its implications, which is what we are doing. [end recording]

Rebels Issue Statement

PA0811165691 Guatemala City PRENSA LIBRE in Spanish 7 Nov 91 p 3

[Text] "President Serrano Elias, in unfounded statements, said that the URNG [Guatemalan National Revolutionary Unity] is responsible for the failure to reach agreements during the fifth round of talks and for the stalemate in the peace process. He called the URNG's proposals intransigent, alleging that they are illegal. According to an article published in the press on 27 October, "he rejected the possibility of a new round of talks, as long as the URNG and the government do not agree on the issue of human rights."

The foregoing was said by the URNG in a statement issued on 6 November. According to the statement, "the fact that no agreements were made during the last meeting does not demonstrate a lack of political will or flexibility on the part of the URNG. It shows that there are serious differences on more profound issues."

The document adds that "the URNG's views on the respect and observance of human rights differs from the government's position to the extent that the government opposes the implementation of urgent measures to guarantee the end of impunity and the full respect for human rights. The government is using a legal loophole to evade the possibility of reaching substantial agreements."

The rebels also affirm that "the grounds, arguments, and proposals presented by the URNG reflect the interests and demands of the Guatemalan people, and the presentation of such issues is not disproportioned, nor does it stray from the current constitutional framework."

"It is the opinion of the General Command of the URNG that the bottom line is that our proposals, arguments, and the grounds for upholding them contradict, collide with, and affect the powerful interests of those who oppose any form of change directed at establishing a state of law for the democratization of the country and attainment of peace," the statement adds.

"We accept the give-and-take procedure [procedimiento pendular]," the document continues, "to contribute to progress at the talks and as another effort to come to an overall agreement, not a partial one; this, without conditioning progress on any formal approaches, but by seeking real solutions to the problems."

The URNG also reported that "the Army wounded and then captured 22-year old Veronica Ortiz Hernandez, from Cunlaj, Chichum Canton, Tacana, San Marcos. This occurred on the afternoon of 16 October during clashes that occurred in San Lorenzo El Cubo."

The statement concludes by saying that "the URNG strongly denies any responsibility that the government might try to credit to us for the lack of agreements on human rights at the fifth round of talks."

Army, URNG Reports Differ

PA1111024491 Panama City ACAN in Spanish 1622 GMT 10 Nov 91

[Text] Guatemala City, 11 Nov [date as received] (ACAN-EFE)—According to rebel and military information reported today, at least 21 people were killed in clashes between the Army and guerrillas in Palin, Escuintla Department.

The Guatemalan National Revolutionary Unity [URNG] claims it inflicted 16 casualties—including dead and injured—on the Armed Forces. They also claimed to have destroyed a tank.

According to a URNG report, the fighting occurred during the weekend in an area known as "Medio

Monte," in Palin, in southern Guatemala, where guerrilla forces ambushed a military patrol twice.

Conversely, the Information and Press Department of the Army (DIDE) reported that military forces inflicted five casualties on the rebels and claimed that only two soldiers were injured during the fighting.

DIDE also said that the Army is searching the area to expel rebel forces threatening residents of Palin and Escuintla.

According to Monsignor Rodolfo Quezada Toruno—a mediator in the peace talks—the clashes occurred at a time when conversations between Jorge Serrano's government and URNG "commanders" are going through a "conflictive and delicate" phase.

This week, Msgr. Quezada and Frances Vandrell—the UN observer in the peace talks—held separate meetings with guerrilla representatives and the government delegation to try to bring the two sides together.

Quezada said that maybe by next week he will prepare the first draft of a proposal to be studied by both sides in an effort to reach an agreement allowing the peace process, which began in Oslo, Norway, in March 1990, to continue.

URNG Issues Statement

PA1211044091 Guatemala City PRENSA LIBRE in Spanish 8 Nov 91 p 13

[Statement issued by the General Command of the Guatemalan National Revolutionary Unity, URNG, in Guatemala on 5 November—published as paid advertisement]

[Text] Government officials and President Jorge Antonio Serrano Elias himself have been referring to the impasse in the negotiations between the Government and the URNG [Guatemalan National Revolutionary Unity], resulting from the topic of human rights.

President Serrano Elias falsely stated that the URNG is responsible for the inability to reach agreement at the fifth round of talks and for the deadlock in the process. He said that the URNG proposals were inflexible and illegal. According to what was published by the media on 27 October, "he rejected the possibility of having a new round of negotiations until there is a rapprochement" between the URNG and the government positions on the topic of human rights.

In view of all this, the URNG General Command believes that it is necessary to specify and define its position with regard to these statements and to define the status of the human rights debates.

1. The fact that an agreement was not reached at the last meeting does not mean that the URNG lacks political will or flexibility. It is evidence that serious discrepancies on the basic topics exist.

The URNG believes that human rights must be truly and objectively observed. It disagrees with the government's position that the government is against implementing immediate measures to ensure an end to impunity and the full observance of human rights. In this case, the government used a legal loophole as an excuse to avoid reaching important agreements.

The URNG proposes that there be immediate compliance with the Constitution of the Republic with regard to the important human rights points contained therein.

Thus, it is not objective or true to say that the URNG is inflexible. This is only an attempt to cover up or evade responsibility.

2. The basis, arguments, and proposals of the URNG reflect the interests and demands of the Guatemalan people and are not outside the context of the valid constitutional framework.

The URNG has amended its initial proposal. This is evidence of its flexibility and political will to reach a comprehensive agreement, which would be the basis to begin to resolve more serious aspects of the human rights topic.

The agreement with the political parties at El Escorial—endorsed by the meetings in Quito, Metepec, and Atlixco—includes institutional changes and constitutional reforms. It is in this spirit, and without separating ourselves from the valid constitutional framework, that we have based our human rights proposals.

The opinion of the URNG General Command is that at the bottom of all these false statements is the fact that our proposals and arguments, contradict, clash with, and touch the powerful interests of those who are opposed to any changes to establish a state of law to democratize the country and attain peace.

3. During the fifth round of talks, both parties agreed on the procedures for future meetings—which were to be held in Mexico City—to continue debating the topic of human rights.

We accepted the pendular procedures to contribute to the advancement of the negotiations and in an added effort to reach a global, not a partial, agreement. We did not condition the continuity of the debates to a formal rapprochement, but instead attempted to find in-depth solutions to the problems.

4. Our fighter Veronica Ortiz Hernandez was wounded and later captured by the Army during clashes that occurred in San Lorenzo El Cubo on the afternoon of 16 October. She is 22 years old and comes from Chichum Canton, in the Cunlaj community, Tacana, San Marcos.

When we started our recent round of negotiations on 21 October, we presented a formal proposal that the Army admit the arrest and ensure her security and physical and mental integrity. Up to now, the Army's top command has not replied to this request.

The URNG emphatically rejects the government's attempts to hold us responsible for the lack of agreement on the human rights issue during the fifth round of negotiations.

Based on this situation, we condemn the increase in governmental repression and terror against low-income sectors. We alert national and international public opinion to the possibility of even greater repression.

[Signed] Commander Rolando Moran, Poor People's Guerrilla Army; Commander Pablo Monsanto, Rebel Armed Forces; Commander Gaspar Ilom, Revolutionary Organization of the People in Arms; Carlos Gonzalez, Secretary General of the Labor Party Central Committee

Guatemala, 5 November 1991.

Army Official on Coup Rumors, URNG Talks

PA1111154891 Mexico City NOTIMEX in Spanish 1507 GMT 10 Nov 91

[Report by Jose Luis Castillejos]

[Text] Guatemala City, 10 Nov (NOTIMEX)—The Army will not stage a coup against the current civilian government because it is the institution that laid the groundwork for democracy in Guatemala," an Armed Forces spokesman said.

Colonel Homero Garcia, chief of the Information and Press Department of the Guatemalan Army, told NOTIMEX that the liberalization of the military opened the doors of democracy and strengthened the country's institutions.

The "coupist winds" were left behind, he said.

Garcia rejected rumors that "a coup could take place because of the divorce between the Army and the government of President Jorge Serrano Elias."

"That will not happen because the Army is part of the legal system in Guatemala and in strict compliance with the laws of the Republic. It cannot break its ties with the government because the duties of both have been delineated," he said.

He said that "while the Army's relations with civilians evolve and become more flexible, the Army is not losing sight of its main objective: a necessary defense system to guarantee the survival of the state."

"In this context there is an excellent relationship between the Army and all government organizations," he said.

"I could not say why other institutions would like to stage a coup d'etat or why they may feel motivated to carry it out, but the Army will not do it because the Army is part of the legal system and it respects the democratically elected authorities," he said.

According Garcia, "a decade ago the Army initiated a democratization process that was the product of its determination to prevent Guatemala from falling off a cliff."

Interviewed in his office at the Military Social Security Institute (IPM), Garcia said: "Now we are breathing the air of tranquility in Guatemala."

He said: "This is proven by the fact that there is more political openness and more human rights organizations are operating in the country, which did not happen in the past."

As for the armed conflict, which has claimed 100,000 victims in the last 31 years, he said the previous government had to face the biggest opponent of the state: "terrorism."

"The subversives were the ones who broke the law and looted the country. This situation led the government to stop the damage the subversives were causing; it had no option but to confront them," he said.

"Guerrilla time is over; the people reject them and now their movement lacks a purpose. They are basing themselves on outdated concepts. But that does not mean they no longer worry us," he said.

He said the guerrillas lost a battle with the changes in Eastern Europe and the crisis faced by socialism and "now they are having trouble maintaining control of power."

As for the negotiations between the government and the Guatemalan National Revolutionary Unity (URNG), he said the guerrillas "will continue their hard-line positions and seek to suspend the talks to continue their show."

He said: "Being a subversive is currently a business and if you do not believe [illegible] the URNG commanders, who are constantly tour[illegible] world."

"The URNG is not a gue[illegible] group because its members are not the typical figur[illegible] who observe international human rights. Their status is one of international terrorists," he said.

"They are an armed opposition that is openly fighting against a legal regime, and the Constitution prohibits these types of groups. They are committing crimes and frightening the population to achieve their objectives," he said.

He said the guerrillas are claiming victories over the Army "but if this were true, the Guatemalan Army would have already disappeared."

Garcia accused the guerrillas of secretly burying their dead, "which is a violation of the law because once the bodies are found, the international organizations blame their deaths on the Army."

He said, "the guerrillas take advantage of their dead because they are more useful dead than alive. They report the existence of clandestine cemeteries in Guatemala and accuse the Army of murder."

Honduras

Army Confiscates Weapons Bound for El Salvador

PA1211122591 Panama City ACAN in Spanish 2106 GMT 11 Nov 91

[Text] Tegucigalpa, 11 Nov (ACAN-EFE)—On 11 November Honduran military authorities reported the confiscation of 13,200 bullets for M-16 rifles and 9,000 bullets for AK-47's, which were being transported in a vehicle from Nicaragua and were supposedly to be delivered to the Salvadoran guerrillas.

The vehicle, bearing a Salvadoran license plate, crossed the Nicaraguan-Honduran border at Guasaule on 10 November and was heading toward El Salvador, according to a police spokesman.

The driver was Gerardo Giron Iraheta, linked to the Salvadoran guerrillas, who was accompanied by Jose Anibal Diaz, supposedly a member of the opposition's Christian Democratic Party, the official source added.

Honduran authorities confiscated from the same vehicle 10 radio sets with computer systems, 11 antennas, a microphone, and two transformers.

The source added that Giron managed to escape, while Diaz is under arrest at a military post.

El Mochito Labor Conflict Ends in Agreement

PA0911152091 San Pedro Sula LA PRENSA in Spanish 7 Nov 91 p 3

[Excerpt] Tegucigalpa—Approximately 100 workers, who had been fired for backing previously fired coworkers, will be reinstated on 7 November and their back wages will be paid to them. Furthermore, a group of 27 fired workers will fight for their rights in court and the judge assigned to the case must rule within a 60-day period. The previous points are the main agreements reached by the parties involved in the labor conflict at El Mochito Mine.

As LA PRENSA reported on 6 November that American Pacific Honduras, Inc. agreed to reinstate most of the workers it had fired and will not take reprisals against the workers who promoted the movement that resulted in a general strike.

The parties reached these agreements after deliberating for 29 hours at Government House and thanks to President Callejas' mediation. [passage omitted]

Nicaragua

Humberto Ortega, General Staff Lives Threatened

PA1411002791 Managua Radio Ya in Spanish 1200 GMT 12 Nov 91

[Text] Pamphlets with death threats aimed at General Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army [EPS], have been found close to the Carlos Fonseca mausoleum. Members of the EPS General Staff were included in the threats, which were issued by a clandestine group that calls itself the Urban Resistance Front.

It has been reported that the same organization distributed pamphlets during a march held in Managua two weeks ago by the so-called Let Us Save Democracy Movement.

Government, Recontras Reach Agreements 8 Nov

PA1111043891 Managua BARRICADA in Spanish 9 Nov 91 pp 1, 8

[Report by Martha M. Gonzalez]

[Text] La Trinidad—The establishment of a mixed police force in 10 municipalities in Regions One and Six, the training of 10 recontra officers to hold police posts, and the creation of the National Security Commission are among some of the agreements reached on 8 November by the so-called Council of Commanders of the recontras and government officials.

Government Minister Carlos Hurtado and Major General Joaquin Cuadra presided over the meeting that lasted from 1030 to 1700. It was held in the house of Alcides Molina, president of the Independent Liberal Party, PLI, in La Trinidad municipality.

Officials of the CIAV [International Commission of Support and Verification]-OAS were in charge of transferring the recontras in Regions One, Five, and Six. The following recontras, among others, participated in the meeting: Encarnacion Valdivia, aka "Tigrillo;" "Dimas" [Francisco Baldivia]; "Bigote de Oro" [Alcides Rodriguez]; "Rojito;" "Campeon" [Jacinto Tercero]; "Bolivar" [Jaime Zeledon]; "Culebra;" and "Camaneca."

Minister Carlos Hurtado said he was pleased with the agreements reached with the recontras. He said the meeting was held in an atmosphere of confidence and understanding. He also viewed as positive the participation of the EPS [Sandinist People's Army], which for the first time was represented by Maj. Gen. Joaquin Cuadra.

He said the process of transferring the military forces led by "Dimas" will be intensified. He added that they will not only be present in San Marcos and Sacaclí, but in other areas of San Rafael del Norte and Pantasma to remove them from situations leading to criminal activity.

Hurtado explained that the Special Disarmament Brigade will be formed by 60 individuals. The recontras will also join the National Police in the municipalities of Quilali, La Concordia, San Rafael del Norte, Wiwili, Pantasma, Yali, Bocay, and Cua, among others.

According to Government Ministry spokesman Frank Cesar, the names of the recontras who will form part of the Special Disarmament Brigade and the candidates to posts in the police were announced at the end of the meeting.

Maj. Gen. Cuadra said that the participation of the EPS in the meeting helps resolve the armed conflict. He announced that the government has established communication with other armed groups identified as recompas and they will also be joining the Disarmament Brigade and Commissions.

UNO Councilmen, Mayor Debate 9 Nov Events

PA1411042291 Managua BARRICADA in Spanish 13 Nov 91 pp 1, 10

[Report by Gabriela Guevara]

[Text] Sandinist councilmen called upon Managua Mayor Arnoldo Aleman, the UNO [National Opposition Union] council members, and the population in general to try to prevent new acts of violence that could lead the country to war again. They also called on everyone to maintain peace and social stability.

Amid a hostile atmosphere during an open council meeting held in one of the conference rooms at the mayor's offices, the UNO council members used strong words directed at the leadership of the Sandinist National Liberation Front [FSLN]. They accused FSLN leaders of heading the burning of the mayor's office building.

Commander Monica Baltodano, representing the Sandinist council members, said that "violent attitudes, such as those assumed by Mayor Aleman, can only create more violence." Baltodano underscored the political and social responsibility of Mayor Aleman, the UNO councilmen, and the Sandinists themselves. "We must reflect on the conduct we must adopt and stop our vengeful behavior," she insisted.

Meanwhile, Mayor Aleman denied he was the mastermind behind the bomb attack against the mausoleum of Commander Carlos Fonseca Amador on 9 November. "I am not a criminal. I am incapable of ordering the destruction of Commander Fonseca's tomb. Although I believe the dead should be at the cemetery and the children in the park, I would never have done that," the municipal chief stressed.

The argument became rather heated at a certain point and the mayor said he would hold Daniel Ortega, the secretary general of the FSLN, and Councilwoman Monica Baltodano responsible for any attempt against him or his family.

UNO councilmen Roberto Cedeno, Virginia Orozco, Jamilet Bonilla, and Clemente Guido gave strong speeches, full of insults directed at the Sandinist leadership and its organizations, which they labeled as "diabolic hoards," hoodlums, and thieves.

In response, Councilman Javier Alvarez encouraged Aleman and his councilmen to talk in a civilized manner. "You are trying to destroy the FSLN as a party. This violent situation was triggered by sectors that cannot accept the fact that we continue to have a political life, despite having lost the elections. You accuse us of being thieves and of not wanting to give up power, while we are the only party that has turned over power peacefully," Alvarez said.

The UNO council members issued a communique in which they condemned the burning of the mayor's offices and directly accused the FSLN, the original FSLN combatants, and the Community Movement [Movimiento Comunal] for all the violence and damage they caused.

The Sandinists decided to leave the open council meeting because they felt that the communique incited violence. "We agreed with a communique condemning the violent acts, but they had no need to directly accuse the party", Javier Suarez said.

Union Leaders Ask Government To Stop Repression

PA1011181191 Managua BARRICADA in Spanish 7 Nov 91 pp 1, 10

[Article by Roberto Larios]

[Text] The National Workers' Front (FNT) is willing to participate in dialogue proposed on 5 November by the government and the national directorate of the FSLN [Sandinist National Liberation Front]. However, the FNT has stated that it will continue its pressure until concrete agreements are obtained and honored by the government, and will avoid falling into a new "dialogue for the deaf."

The FNT made the announcement on 6 November during a press conference called to state its position with respect to the initial results of the open political dialogue between the government and the FSLN.

The union leaders disregarded the "emotional appeals made by the government by which they are calling for dialogue while at the same time they are repressing the workers." Instead they urged all federations and unions to "continue with strike activity and labor struggles until responsible and serious negotiation is under way."

During the press conference, the FNT presented several workers who were beaten by the police during the last disturbances that took place in Managua. One of the

workers, Juan Antonio Villegas, lost most of his teeth as the result of being hit with a rifle butt in the face.

On 7 November, the FNT accused the government before national and international human rights organizations of "a progressive institutionalization of government repression and the continuous violation of the civil rights of union leaders, violations that overstep constitutional limits."

Dr. Gustavo Porras, head of FETSALUD [Federation of Health Workers] revealed how, on 5 November, the Labor Ministry had instructed the authorities to take repressive measures against health workers who had taken over Labor Ministry installations. This took place after Labor Minister Francisco Rosales, through his assistant, had given instructions for the workers to remain at the MITRAB [Labor Ministry] installations.

As a result of the measures taken by the police, 13 workers were arrested and hospitalized.

Dr. Porras said: "This is what we have received from the government. All reference to dialogue is mere manipulation, instead orders are being given to attack the workers."

The specific case of Ignacio Velez, director of ENABAS [Nicaraguan Enterprise for Staple Foods] was disclosed during the press conference. On 5 November, Mr. Velez assaulted FNT Secretary General Roger Peralta. ENABAS workers have maintained their position of refusing to accept Velez as director and of taking over the management of the enterprise.

The FNT pointed out that the principal points of the negotiations are a 100 percent pay increase for workers and public employees; a similar increase in the pensions of retired persons and war victims; an immediate transfer to workers of 25 percent of the assets of companies scheduled to be privatized; payment of 100 percent of the Christmas bonus according to the highest salary paid during the year, in addition to other incentives and social benefits.

Selective Repression

Jose Benito Gonzalez, union leader of the German Pomares Sugar Refinery, revealed the "selective repression" applied by the government against Sandinists workers. Government Minister Carlos Hurtado ordered the release of CUS [Committee for Trade Union Unity] and CTN [Nicaraguan Workers Federation] union leaders. However, at the same time he prolonged the arrest of Sandinist union leaders Francisco Somoza and Pedro Andino who have been under arrest since 3 November.

Both workers are in solitary confinement according to instructions received from the Government Ministry. Mr. Gonzalez described this as a "vindictive attitude to behead the union movement."

Union leaders also disclosed that the MITRAB had refused to grant legal status to the E. Chamorro Factory union in Granada. Instead, MITRAB showed a ministry resolution supporting their decision.

This is nothing more than "absolute complicity between MITRAB and management," but, as evidence of workers' flexibility, they have decided to rectify union records and once again present them to the Department of Union Associations.

Glays Baez, secretary general of AMNLAE [Luisa Amanda Espinosa Association of Nicaraguan Women] also participated in the press conference. She later presented a donation sent to the E. Chamorro Factory workers by the Sweden solidarity committees.

Questioned on the position of the FSLN in the political dialogue with the government, FNT leaders described the call for talks made by Commander Daniel Ortega as "positive." They also added that the "FNT's position" is not negotiable.

UNO Leadership Discusses New Strategies

PA0911040091 Managua Radio Sandino in Spanish 1200 GMT 8 Nov 91

[Text] The leaders of the 14 parties that form the National Opposition Union [UNO] last night held a private meeting at the Social Democratic Party headquarters where, together with Alfredo Cesar and Arnoldo Aleman, they began to prepare strategies after learning that Commander Daniel Ortega has surrendered his legislative immunity in order to confront the Somozists.

This newscast has learned that the UNO leaders discussed the contents of a document they will send next week to President Violeta Chamorro stating their stand concerning the violence that is taking place in the country.

During the meeting, Arnoldo Aleman referred to Commander Ortega's decision and said the former president took this step because he knew the UNO was going to strip him of his immunity. However, Aleman did not say that now other deputies must also give up their immunity in order to accuse Ortega. These deputies are Rodolfo Mejia Ubilla, (William French), and (Daniel Tates Otes).

The fact Ortega gave up his immunity practically annuls the work of the special commission presided over by Legislative Assembly Vice President Luis Sanchez Santos, who yesterday announced that next week he was going to remove the former president.

Bombings at ONUCA Offices, Private Home Reported

PA1311183091 Managua BARRICADA in Spanish 12 Nov 91 p 2

[Excerpts] Ocotal—Two simultaneous explosions were heard in two parts of this departmental capital just after midnight on 10 November, at approximately 0030 [0530 GMT].

One of the bombs was thrown at the home of Marvin Altamirano, son of former Somozist senator Alfonso Altamirano, who resides in the central part of the city. Shrapnel hit the offices of a district court located in front of Altamirano's home.

Two other explosions occurred at the installations of ONUCA [UN Observer Group in Central America], where three ONUCA officials reside. No casualties were reported.

The explosions at the ONUCA offices, in a building owned by Mauro Medina, partially damaged two vans parked in the garage, windows, and a wall at the back of the house.

Marvin Altamirano told BARRICADA that this attack could be related to an ongoing agrarian conflict at the Santa Julia Farm, located in Murra, stemming from the fact that the property was returned to him by the board of directors of the cooperative that was operating it under agreements reached by both parties. [passage omitted]

Members of the cooperative charge that Altamirano forced them to sign a document returning the property to him on the basis of the support that he receives from recontras. [passage omitted]

Recontras Ambush Two Bank Vehicles, Two Killed

PA1111235091 Managua Radio Sandino in Spanish 1200 GMT 9 Nov 91

[Text] At a time when the government is conducting negotiations with the recontras, two recontras were killed during an attack on two vehicles of the National Development Bank in Jinotega. Here is a report by Francisco de Jesus Rodriguez:

[Begin Rodriguez recording] The police told this station that after an ambush on two vehicles of the National Development Bank in the place known as Cuatro Esquinas in Sabana Grande, 4 km south of San Rafael Norte, approximately 40 recontras left behind two grenades, two RPG-7 fuses, and 400 rounds of ammunition for AK rifles. According to local residents, the recontras fled into the mountains with three wounded and two dead comrades. They said that the recontras were led by Relampago [not further identified], Campeon [not further identified], and Juan Velasquez. The ambush took place at 1400 on 7 November as the vehicles travelled from Yali and Concordia, in Jinotega Department, after they had delivered a large sum of money to branches of the bank. A total of 15 men, including policemen, who were protecting the vehicles, exchanged gunfire with the recontras for 30 minutes. One of the drivers was wounded and a Toyota vehicle was destroyed by two M-79 grenades. [end recording]

Former Contras Challenge ACRN Leadership

PA1211163491 Managua BARRICADA in Spanish 11 Nov 91 p 5

[Text] A group of former contras led by Luis Fley, also known as Commander Johnson, at 2300 on 9 November left Nicaraguan Resistance Civic Association (ACRN) headquarters after occupying it for 24 hours to challenge the leadership of Oscar Sobalvarro and Israel Galeano as ACRN representatives.

According to Commander Layon, the former chieftains of the resistance, Luis Fley, Alejandro Ortega, and Joel Valdez, left ACRN headquarters, known as "La Casona" in the Bolonia neighborhood, after holding a lengthy conversation with Government Minister Carlos Hurtado and a representative of Cardinal Obando.

On the night of 8 November, about 50 individuals led by Fley, Ortega, and Valdez violently broke into "La Casona" and ousted the people officially occupying the office.

Commander Layon said the three former contra chiefs accuse Oscar Sobalvarro, also known as Ruben, and Israel Galeano, also known as Franklin, of having given in to the Chamorro government and forgotten the needs of the former contras.

Rodolfo Ampie, also known as "El Invisible," said on 9 November that those involved in the takeover were "resentful and frustrated individuals whom nobody follows."

Commander Layon said he learned the three former chieftains who encouraged the "La Casona" takeover want to hold an assembly to elect new representatives. He added that "perhaps they will be unable to do so, because they are short on leaders."

Commander Layon, who preferred not to disclose his true name, said he did not know if Minister Hurtado and the cardinal's representative agreed to promote such an assembly. He added: "Perhaps 'El Invisible' can tell you that tomorrow (that is, today)."

Attack on Radio Corporacion Deplored by Owner

PA1211134291 Managua BARRICADA in Spanish 11 Nov 91 p 5

[Text] Carlos Gadea Mantilla told BARRICADA that the damage done by unidentified individuals who attacked the studios of Radio Corporacion and Radio Minuto on the afternoon of 9 November is estimated at $40,000 to $60,000.

Gadea, who owns both radio stations with his brother Fabio and Jose Castillo Osejo, said they will not file any suits "because it will do not do any good."

He reported that after the attack against the tomb of Commander Carlos Fonseca, employee Roy Flores received a telephone call claiming that the radio station had instigated the dynamite attack.

"We condemn this type of action (the attack against the tomb). They say the radio stations are behind this but we merely voice the opinion of the people who are complaining," he said.

He added that he cannot understand why there was an attack on the studios of Radio Minuto because that station "devotes itself to serve the people. Perhaps the attackers thought these facilities belonged to Radio Corporacion."

The fourth department of the National Police on 10 November posted a police group to guard the place.

* Commentary Praises Army's Attitude, Maturity

92CA0020A Managua LA PRENSA in Spanish
16 Oct 91 p 4

[Article by Alejandro Gutierrez]

[Text] The time has come to assess the situation of the Sandinist People's Army (EPS) in light of the changes that have taken place in the country, and to stop relying on mere slogans or thoughtless harangues.

Of all the military institutions in our history, as well as those of many other countries in the world, the EPS is the one that has changed the most. It has done so without rebelling, without trying to exert pressure by means of the notorious insurrections that the armed forces of countries such as Argentina, Chile, Honduras, and Haiti have carried out.

It can be argued, as indeed it is every day, that the EPS has really renounced the coup d'etat not for lack of desire, but for lack of means, as it has reached a dead end. But that is an absurd argument.

Absurd because no one is unaware of the circumstances in which the EPS has had to live. The same can be said by all those who once left the country out of fear of the EPS, or who entered into agreements to avoid having a confrontation with it...and not for lack of desire. Everything is a matter of circumstances!

So what is praiseworthy is not running against the tide of circumstances, but working with the circumstances; it is knowing how to recognize momentous circumstances when they arise; it is admitting the validity of such circumstances and trying to maintain good sense; it is identifying the new objectives that history places on the agenda; it is trying to protect one's identity by eliminating what is obsolete; it is changing without betraying.

It is illogical and dishonest to ask the EPS to do something the parties did not even ask the National Guard (GN) to do, with the exception of one or two. They insisted on safeguarding that military force, offering to respect its professionalism (?) if it agreed to accept a democratic change of government. But since that never happened, it was during the course of the struggle against the GN that the foundations of the EPS were laid.

To be sure, once the EPS became a state military institution, it proved to be haughty, arrogant, sectarian, repressive, opposed to democratic change. For all of these reasons, the EPS began to exhibit a dual character. It was a military force of popular origins that had emerged victorious from a war against the Somozist dictatorship. But it was also an army with enormous authoritarian and militaristic manifestations. That was how it traveled the well-known route that led, not to a libertarian utopia, but to totalitarianism.

But when it found itself at the crossroads of change, far from behaving like the GN, it accepted the results of the most dramatic and critical elections in our history. Since then, it has accepted accelerated and drastic reductions in its troops and the total dismantling of its principal tactical apparatus.

The Honduran Army, for example, is refusing to accept any reduction, even though it has not had a war in decades, and it has made this clear to that country's president.

Two recent developments that went largely unnoticed provide irrefutable proof of the tremendous changes that have taken place in the EPS:

1) The "Recontras" assaulted a town and captured EPS weaponry, officers, and soldiers, but the EPS did not respond by pursuing the assailants on a war footing; rather, it has submitted to the government's negotiations policy, which requires that it hold off for a while. Even a bishop, who has absolutely no connections with the EPS, has had to come out and demand respect for the armed institution of the state.

2) A few days ago, without even a photo opportunity, a group of EPS soldiers emerged from the Ministry of Finance building with a packet of government payroll checks to pay all Army personnel. This means that now the payroll is processed at the Ministry of Finance, and all the secrecy that surrounded the EPS is a thing of the past. The EPS used to receive the transfers of funds and would manage the money itself in its own, distant offices, without anyone being privy to anything.

As a result of all this, President Chamorro is in command of an army that is displaying a tremendous amount of responsibility and maturity in its actions. The EPS does have its own political and professional interests, which it does not hide, but it has shed its authoritarian and power-wielding image, which frankly never could compare to the criminality of the Somocist National Guard.

The EPS merely demands respect for its institutional identity, respect for the Constitution, which it respected when it accepted the 1990 change of government. That constitution prohibits any return to Somozism and provides for a broad scheme of political liberties, such as we enjoy now.

The EPS cannot be expected to accept in peacetime what no one was able to inflict on it in wartime: its complete dismantling and total replacement by another military force. No one can demand that the EPS, in the name of democracy, agree to conditions that only a militarily defeated army could be forced to accept, especially since the Sandinist People's Army is evolving toward a conduct that is in keeping with a wide-ranging democracy with an advanced social content.

Nor can anyone ask of it what was not even asked of the GN: that it disappear after having accepted changes in government. That is extremism, vindictiveness.

Finally, I would like to state for the record that I lived through and experienced the repression of the EPS, along with many other men and women who gave their all to defeat Somozism, and whose contributions to that struggle were selfishly ignored by the official propaganda of the time. But they do not want to cling to the past, either, and they are making an effort to keep up with the times.

Panama

Security Office Uncovers Plot Against Endara

PA0911030291 Panama City EL PERIODICO in Spanish 6-12 Nov 91 p 24

[Text] The sudden dismantling of the costly presidential dais and return of the independence holiday parades to the old part of Panama City were prompted by the discovery of a plot to attack President Guillermo Endara.

Confidential reports obtained by EL PERIODICO state that the so-called Council for Public Security and National Defense [Conasepuden], headed by Menalco Solis, learned that a number of weapons, including medium-range weapons, were going to be used to blow up the presidential dais built on 50th Street so the president and his friends could enjoy the parades.

This is the sole reason why the government quickly decided to change the entire program for the holidays. Expert security sources questioned by EL PERIODICO said the location of the dais on 50th Street was a perfect target for an attack on the whole government team. To protect the lives of the president and those close to him, Conasepuden advised him to review the parades at the Presidential Palace, which can be easily guarded. It is felt that several thousand men would have been needed to cover all the possible places from which an attack could have been carried out.

Another source assured EL PERIODICO that the government decided to dismantle the 50th Street dais to avoid an incident similar to one in Colon City, where homeless people dismantled the dais to repair several condemned houses. The fact that neither Conasepuden nor the government issued a statement explaining the abrupt change caught the attention of the people.

U.S. Soldier Killed During 'Provocative Action'

PA0811230791 Panama City Telemetro Television in Spanish 1720 GMT 8 Nov 91

[Text] Major Dario Arrue, deputy National Police director, reported that provocative actions between U.S. soldiers and Panamanian policemen took place early 8 November, although there were no regrettable incidents. The provocative actions by U.S. soldiers against Panamanian policemen could lead at any moment to an armed incident between Panama and the United States. These actions are taking place after a Panamanian policeman killed a U.S. soldier during an incident that has not yet been clarified by the Panamanian authorities.

[Begin recording] [Arrue] We have reports that last night [as heard] there were some provocative actions by, we assume, U.S. soldiers. In the area of P Street, in front of Jimmy's Store, a group of policemen were provoked by four individuals in a vehicle—presumably U.S. individuals who were wielding a 9mm pistol—who then fled.

We had another report from the Balboa Station area, where that same vehicle, accompanied by another vehicle, took a wrong turn and fled. The policemen remained alert. According to the policemen's description, it is assumed they were U.S. individuals. In one of the incidents, there was a 9mm weapon.

[Reporter] Was there any shooting? How was the issue resolved?
[Arrue] No, this was not a difficult situation. The individuals merely provoked the policemen but the latter reacted in a calm manner. They immediately reported by radio to their respective stations.

[Reporter] What will the National Police do next?
[Arrue] As we are in charge of the police, we will present a report to the government minister, so he will pass the information over to the Foreign Ministry and then measures will be adopted. [end recording]

Meanwhile, residents of Ancon Corregimiento reported to our newscast that they saw U.S. troops in combat gear aboard armored personnel carriers along Avenida 4 de Julio and the Bridge of the Americas.

Police Official Comments

PA0911023091 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Nov 91

[Passages within quotation marks are recorded]

[Text] This afternoon Jaime Abad, director of the Judicial Technical Police [PTJ], said that U.S. military members had nothing to do with the investigation of the death of a U.S. soldier who was shot by a member of the Public Force.

Abad made these remarks following accusations by Legislator Mario Rognoni, who said the North Americans tried to take away the corporal who killed the U.S. soldier.

[Abad] "Panamanian authorities conducted the investigations of this tragic incident since the very beginning. The fact is that U.S. Army liaison members have been simply cooperating, I underline, cooperating in the investigations and this is based on a legal document: the Torrijos-Carter Treaty.

"I do not agree with, much less respect, the statement by the honorable legislator. I think it is false. He should recant what he said.

[Rognoni] "People who were at the PTJ told us that North Americans went there. In fact, they identified a U.S. Army major and another officer who went to the PTJ office. As far as I understand, they were trying to question Corporal Arauz.

[Abad] "Since the incident involved a U.S. soldier, the North Americans performed the autopsy and cooperated fully with Panamanian authorities. We asked them to give us the bullet and they gave it to us. We asked them for a criminal analysis and we are waiting for that report.

[Rognoni] "I am glad Abad admitted that U.S. Army officers went to the PTJ office. We understand that they talked with Corporal Arauz."

Arauz is under arrest in San Felipe's A Area. In the meantime, Acting Foreign Minister Jose Raul Mulino said he does not know anything about alleged provocations by U.S. Army South members stationed in our country against Panamanian policemen.

Mulino would not express an opinion about this matter and only noted that he lacked any information about it.

Panamanian police authorities denied that U.S. tanks or troops tried to snatch Corporal Arauz from the PTJ installation.

Reaction Irritates Police

PA0911232991 Panama City EL SIGLO in Spanish 9 Nov 91 p 8

[Report by Aneldo Arosemena]

[Text] Major Dario Arrue, deputy director general of the National Police; and Maj. Luis A. Puleio, commander of National Police Zone "A," reportedly met "secretly" with Assistant District Attorney Carlos Herrera Moran. They met to inform Herrera about the policemen's unrest and irritation resulting from the Panamanian Government's initial reaction to reports on the death of a U.S. soldier at the hands of a Panamanian policeman early on 5 November.

This information was provided by a source close to the Attorney General's Office, who for obvious reasons asked not to be identified. The source said that initially the police units reacted with disgust to statements from high-ranking government officials who " passed a prior judgment" on Corporal Juan Ignacio Arauz.

There was no report on the details of this meeting, but it was reported that the police officers told the prosecutor that an incorrect handling of the incident could have unforeseeable consequences on the troops, such as demoralization and feelings of discontentment, which could lead them to fulfill their duties with a passive attitude.

The government of Guillermo Endara has hardened its position. On 7 November, the president said that the death of the U.S. soldier took place in a very dangerous area where drugs are consumed. He said that an impartial investigation will be conducted and that Cpl. Arauz will not be "abused." Commenting on a protest that U.S. Ambassador Hinton presented to the Foreign Ministry, the government minister, in an unusual attitude, said: "I do not care what Ambassador Hinton may say."

The Panamanian Government presented apologies and its condolences to the U.S. Government and some high-ranking General Attorney's Office officials said that Arauz is guilty.

When the chairman of the Credentials Commission of the Legislative Assembly, Christian Democratic Party Legislator Raul Ossa, was asked for his opinion, he said: "Panama's laws do not allow state officials to issue opinions publicly on where responsibilities lie. They cannot do that."

Ossa, who is an attorney, asked: "How could the Panamanian state authorities issue statements establishing blame and how is it that a diplomat is permitted to speak on guilt or innocence with the obvious intention to favor those of his own nationality?"

Finally, Ossa said: "I am not attributing innocence or guilt, I am just demanding that both national and foreign officials maintain an ethical stance and do not treat a person guilty, who has not yet been found guilty."

Officials Seek Extradition of Former Major

PA1111165791 Panama City CRITICA LIBRE in Spanish 10 Nov 91 pp 29, 39

[Report by Justino Gonzalez Jr.]

[Text] Panamanian authorities asked the Interpol office in the United States to locate, detain, and extradite former Major Rodolfo Castrellon, who is charged with acting against the state's internal interests.

Castrellon, a former ambassador to Israel, is in Miami to testify against deposed General Manuel Antonio Noriega.

Larin Perry Benigno, chief of Interpol in Panama, stated that efforts are being made to determine Castrellon's status in the United States, where he is presumably located, so as to expedite his transfer to Panama.

Perry said that even if Castrellon is in Miami as a political refugee, he can still be extradited to Panama on the basis of international agreements.

Assistant District Attorney Carlos Herrera Moran talked with Castrellon by telephone and informed the former officer that he must come to Panama for questioning about weapons that presumably belong to him.

The former officer denied that he had Chinese-made SAM-7 missiles hidden in his home. He said that he is not conspiring to overthrow Guillermo Endara's government.

The Interpol inspector said that it will take time for the U.S. authorities to inform Panamanian authorities because thousands of similar requests precede this one.

From Miami, Castrellon said he did not know the Colombians who were arrested in his residence. He added that the person he appointed as administrator had difficulty trying to get the Colombians to move out.

Castrellon admitted owning uniforms, ammunition, and other military equipment, which he claimed to have used when he was an officer in the now-defunct Defense Forces.

The former major repudiated what he described as persecution of his family, and at the same time urged the Panamanian people to support President Guillermo Endara Galimany.

Argentina

Di Tella Cites Benefits of Siding With U.S.

PY1311174091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1240 GMT 13 Nov 91

[Text] Buenos Aires, 13 Nov (NA)—Foreign Minister Guido di Tella said that Argentina is not "as interested in President George Bush's wink of confidence as in that of the U.S. businessmen who are capable of investing in the country."

Nevertheless, Di Tella called the personal relations between President Carlos Menem and Bush as being "excellent", explaining that good understanding "is not just limited" to the White House chief but is extended downwards to the lower administration levels.

Di Tella added that Argentine foreign policy currently seeks to resume a situation of preference with the United States similar to that which was implemented toward the end of the last century with Great Britain.

He added that the relationship the government seeks to establish with Washington "essentially" explores economic benefits for businessmen and for the people.

"When I receive U.S. Ambassador Todman, I consider the benefits that could be obtained for our country, how can we profit from our good relations," he said.

Speaking at a meeting of the Petroleum Club yesterday at the Plaza Hotel in Buenos Aires, the foreign minister said that Argentina "is interested in participating in the so-called Western Alliance because we are convinced that it will benefit us."

Di Tella said that he is in favor of establishing a stable foreign policy through governments, although he admitted that fundamental lines "will continue until they are definitely accepted by society as a whole." He said: "The people are more responsive to changes than the so-called Argentine intelligentsia."

Di Tella bitterly criticized "certain Foreign Ministry career officials who continue with outdated and ill-understood nationalistic ideas." he also criticized the foreign policy implemented by the government of Raul Alfonsin because "it got to the point of trying to advise the United States and the Soviet Union on how to solve the world crisis."

Referring to the change Argentina intends to implement concerning issues being discussed at the United Nations, Di Tella said that the change "seeks to reverse a position of confrontation with the United States and to begin walking the path of agreements implemented by countries such as Spain and France."

Finally, Di Tella reiterated his criticism of the dismantled Condor 2 missile program, adding that its development "has brought many difficulties to the country because in the eyes of the Western powers the country was not very reliable."

Election Results Spark 'Spontaneous' Clashes

PY1411024491 Buenos Aires TELAM in Spanish 1857 GMT 13 Nov 91

[Text] Santiago del Estero, 13 Nov (TELAM)—Fairly serious incidents involving clashes and wounded people occurred in this capital after the National Electoral Board announced that the Peronist Renewal Front was the winner in the 27 October elections and named Carlos Aldo Mujica governor.

Radicals and "Juarists" staged a spontaneous violent demonstration and, after stoning the Federal Court building, bashing vehicles, and shattering store windows, they clashed with the local police force.

It was unofficially reported—because the police did not disclose any information—that photographer Rodolfo Beltran of NUEVO DIARIO was injured, as was a minor, wounded in the stomach and other parts of the body and rushed to the regional hospital. Other people were also wounded following the intervention of the antiriot squads. It was learned that some people were also affected by the tear gas bombs used to disband the demonstrators.

According to information disclosed by a local radio station, a police vehicle parked in front of the local police station was damaged.

In the meantime, former UCR [Radical Civic Union] candidate for governor Jose Luis Zavalia called on his supporters to stage a new protest demonstration at 1900 local time (2000 Buenos Aires time).

Cuba Asked To Confirm Presence of Insurgent

PY1411021891 Madrid EFE in Spanish 2304 GMT 13 Nov 91

[Text] Buenos Aires, 13 Nov (EFE)—Interior Minister Jose Luis Manzano announced today that Argentina asked Cuba whether Argentine guerrilla Enrique Gorriaran Merlo, who is a fugitive from the courts, is living in Cuba.

Manzano stated that before deciding whether or not to request Gorriaran's extradition, "Cuban officials must confirm Gorriaran's presence (in Cuba)." He added that "it is not easy to obtain the extradition of a guerrilla."

On 23 January 1989, Gorriaran , leader of the leftist All for the Fatherland Movement (MTP), headed the occupation of the La Tablada infantry regiment. The La Tablada occupation resulted in the death of 11 military men and 23 insurgents and in the increase of military pressure on then Argentine President Raul Alfonsin.

Two days after the occupation of La Tablada, the National Security Council (Cosena) was established. The Cosena comprises high-ranking military officers and it is authorized to intervene in domestic conflicts although this is specifically prohibited by the Defense Law, approved by Congress in 1987.

Before his departure for Houston in the United States, President Carlos Menem said today that Gorriaran resides in Cuba. Menem added that if the Cuban president is allowing Gorriaran to reside there he sees no reason not to hold a meeting with anti-Castro leaders in Miami.

On 19 July 1979 and after the victory of the revolution, Gorriaran entered Managua, Nicaragua as a member of the Sandinist National Liberation Front (FSLN) Southern Column. In 1980, Gorriaran headed the seditious group that assassinated Nicaraguan dictator Anastasio Somoza Debayle in Asuncion, Paraguay. In both cases, and as in other previous cases, the guerrilla leader was able to escape despite the strong security measures that were adopted after these incidents.

Manzano reported that the Argentine secret service keeps a "permanent" watch on the movements of persons who are allegedly connected with Gorriaran "because reports state that he has frequently entered and left the country."

Congressional Session Extended Until 30 Dec

PY1311020491 Buenos Aires TELAM in Spanish 2139 GMT 12 Nov 91

[Text] Buenos Aires, 12 Nov (TELAM)—Interior Minister Jose Luis Manzano announced this afternoon that the executive branch extended this year's congressional session until 30 December.

In remarks at Government House, Manzano denied news reports that the government is currently promoting constitutional reform. He said: "We believe this issue can only be considered in 1993."

Decree Setting Schedule for Privatization Signed

PY1311201691 Buenos Aires TELAM in Spanish 1934 GMT 12 Nov 91

[Text] Buenos Aires, 12 Nov (TELAM)—President Carlos Menem reported the signing of the definitive schedule decree for the privatization of public enterprises, to conclude in late 1992.

After a cabinet meeting to analyze this issue at Olivos Residence, Menem told journalists that based on "the political decision" to conclude the ongoing privatization process, the decree details the enterprises—approximately 30—and the dates when they will be privatized.

Menem also announced the signing of a decree renewing the Houston Plan oil contracts. The decree provides for free distribution of production and authorizes oil prospecting within the contractual term of nine years—two more years than the period established in the existing contract.

At the end of the meeting in which the political and economic prospects for Menem's trip to the United States were analyzed, Menem said that the joint congressional privatization commission that met at Olivos Residence today represents "a guarantee for the community of a continuation of the ongoing transformation process."

Asked whether the release of the definitive schedule is linked to his trip to the United States, Menem said: "It has nothing to do with that." He added: "We are on the same level with that country, with which we maintain high-level relations."

The decree, released at the end of the cabinet meeting, includes a basic schedule for privatizations of public enterprises and details of procedures and dates for the provisional transfer [preadjudicacion] of the enterprises.

The decree establishes 15 June 1992 as the deadline for the provisional transfer of the National Sanitary Works; 10 September 1992 for Encotel [National Post Office and Telegraph Enterprise]; 14 July 1992 for ELMA [Government Shipping Lines, Inc.]; and 14 July 1992 for the Halliburton Clinic.

As for the Argentine railways, the decree establishes 29 June 1992 as the date for the provisional transfer of the San Martin and Sarmiento Railway cargo lines; 27 December 1991 for the Mitre Railway cargo line; and 29 June 1992 for the Urquiza Railways cargo line, the Belgrano Railways branch, and the rest of the Roca Railway line.

Passenger rail transport between Buenos Aires and Mar del Plata will be provisionally transferred on 15 September 1991.

The Buenos Aires Metropolitan Railways and Subways (Femesa) will be provisionally transferred according to the following schedule: The Mitre, Sarmiento, and Urquiza lines and the subways on 20 August 1992; the Roca and the San Martin line on 4 October 1992; and the Belgrano line on 20 October 1992.

The SEGBA (Greater Buenos Aires Electrical Services) energy distribution services will be provisionally transferred on 30 June 1992 and the Puerto Nuevo and Nuevo Puerto power stations on 28 February 1992; the Costanera, Dock Sud, and Pedro de Mendoza power stations will be provisionally transferred on 31 March 1992.

The date for selling the State Water and Power Enterprise is subject to approval of a law establishing the framework for regulation of the electricity industry; however, the Lujan de Cuyo and Guemes power plants will be provisionally transferred on 31 March 1992.

The sale of Hidronor [North Patagonia Hydroelectric Company] is also subject to approval of the law establishing the framework for regulation of the electricity industry and to congressional authorization of its sale; however, a tentative deadline of 31 July 1992 was set for its provisional transfer. The date for provisionally transferring the State Gas Corporation is 15 September 1992.

As for YPF [Government Oil Deposits], the opening of sealed bids for the Southern Basin area is scheduled for 16 December 1991, while the contracts are scheduled to be signed on 26 December 1991. The opening of bids for the Northwestern Basin is scheduled for 30 April 1992, and the contracts must be signed on 30 May 1992.

Once the YPF reconversion law is approved, the following timetable was established for the different oil fields: The contracts for Campo Duran will be signed within eight months; the oil pipeline bids will be opened within two months and the contracts signed within six months; the contract for the Dock Sud refinery will be signed within five months; the contract for the San Lorenzo refinery will be signed within six months; and the bids for drilling wells will be opened within two months and the contracts will be signed within six months.

The decree—the final details of which were discussed during the cabinet meeting—also includes deadlines for the sale of terms of the bids, the opening of sealed bids, and the selection of bid offers, according to terms.

Deadline for Completion Set

PY1311203491 Buenos Aires BUENOS AIRES HERALD in English 13 Nov 91 p 3

[Text] The government put its privatizations programme into high gear yesterday, setting a December 31, 1992, deadline for the sale of all state companies and announcing it would turn over management of partially privatized companies to minority private shareholders to ensure their efficient operation.

Minority control will be handed over in the privatization of power plants, Economy Minister Domingo Cavallo said yesterday.

Electricity tariffs will be freed but maximum profit margins will be set in force for distribution networks, Cavallo said, walking a middle ground between the power rate reductions demanded by industry and a totally free market economy. He said rates will be reduced through competition because "setting up a power station will be as easy as setting up a biscuit factory."

The minister also announced plans for the concession of toll highways, including the Panamericana motorway, plans for which will be drawn up by the Public Works Secretariat within 60 days.

The maximum toll will be one dollar per 100 kilometers, although urban traffic will not have to pay the tolls, Cavallo said, citing traffic from the federal capital to San Isidro as an example.

Cavallo also said that the government is considering withholding Aerolineas shares from the new private owners of the carrier, in lieu of the 170 million dollars that it is owed from the privatization. The new Aerolineas owners have failed to pay the debt saying that the government owes them in turn 183 million dollars for air tickets sold prior to the privatization.

Oil Sector Deregulation

PY1311203091 Buenos Aires BUENOS AIRES HERALD in English 13 Nov 91 p 3

[Text] (DYN)—The government completed the deregulation process of the oil sector yesterday by reconverting Houston Plan contracts into exploration permits and oil development concessions.

Companies that find oil will be awarded free control of deposits. Exploration permits will have a nine-year life span, and are renewable for a further five years.

Oilfields will then be handed out in concession for development for a 25-year period which is renewable for a further 10 years. Additionally, firms which find oil are granted free control over 70 percent of foreign exchange earnings. Oil firms will pay the provinces a royalty equivalent to 12 percent of sales revenue.

Hydrocarbons extracted during the exploration stage will pay a royalty of 15 percent. With the reconversion, the concessionaires pay no royalties to YPF [Government Oil Deposits], which loses its association rights.

Prices will be free and set by market forces. Up to the moment the oil sector reform was implemented yesterday, YPF paid between 70 and 80 percent of international market prices for crude.

The official decision to deepen the deregulation of the oil sector initiated on January 1 was announced shortly before President Carlos Menem's departure to the U.S. The President will announce the freeing of oil regulations during his U.S. tour.

* Official Discusses Railroad Privatization

92SM0059A Buenos Aires CLARIN in Spanish 21 Oct 91 p 18

[Article by Antonio Rossi]

[Text] On 1 November, after more than two years of a lengthy and complex bidding procedure, the first railway privatization will take place. On that date, the consortium Ferroexpreso Pampeano S.A. will take over the network of almost 5,200 km of track in the R-BB [Rosario-Bahia Blanca] corridor.

The R-BB privatization, begun at the same time as the FA [Argentine Railways] conversion process, is culminating at a special moment: the economic authorities have decided that 20,000 railroad workers will be laid off within one year.

This transfer to private hands of the railway covering the nation's largest agricultural and livestock region and linking five provinces (Buenos Aires, Santa Fe, Cordoba, La Pampa, and San Luis) represents a change in the statist concept of the railway that prevailed in Argentina during the last four decades.

To analyze the various factors involved, CLARIN spoke with the chairman of Ferroexpreso Pampeano, S.A., Marcos Migilardi, who explained how this came about. His comments are given below.

Privatization Problems

The process took place when there was no clear conversion plan for FA. The general indecisiveness had a negative impact on the preparation of bid specifications and on later negotiations. The Mitre and San Martin privatizations now in progress are going to take place much more quickly, based on the experience FA officials gained in the R-BB licensing process.

Port Access

The FA staff came to us to suggest that we take over the Bahia Blanca port operation, since our traffic will be 90 percent of the total railway traffic there. The Rosario port is different, as we understand that our traffic is going to be less than the Mitre licensee has. There we will trade off responsibility. That is what is normally done in the United States; the party with the most traffic is the one who manages track operations.

Preparing To Start Service

The two key elements in the consortium operation—a computerized train tracking system and a computerized freight car management system—have already been set up. Train movements will be controlled by the Bahia Blanca communications center. It will operate with a track use authorization system designed by Union Pacific Technology, with the center functioning like an airport control tower.

This system will eliminate the use of stationmasters, telegraph systems, and traditional signals.

Operational Priorities

The trains' speed will be a second priority. Our most urgent priority is a good communications system, since reliability is the key in this business, and it can only be achieved by providing services on time. Our operations center will be in Bahia Blanca and the Spurr workshops we have there will be used for quick repairs. We are going to subcontract everything we need outside; we will not manufacture rolling stock, nor will we make complete repairs. We will concentrate on transportation.

Service Conditions

The general transport terms were worked out with agricultural producers, the middlemen, and exporters. In disputed cases the Grain Board's Arbitration Panel will intervene. The current FA rate is based on distance, and it does not take departure and arrival sites into account. After a network and market analysis, we decided to apply an origin-destination rate, by setting a value for each place.

The general prices we are charging are between 10 and 15 percent below truck rates.

Ferroexpreso Pampeano (Stock Ownership)

FA	FEP [expansion not given] employees	COINFER [expansion not given]
16%	4%	80%

Note: COINFER is composed of: Techint [expansion not given]; Plata Corporation/Gesiemes S.A.; Riobank S.A.; and Iowa Interstate Railroad.

FA Employees and Passenger Transportation

In accordance with the proposal terms, we will take on 1,012 FA employees, and add about 150 agents to handle business at passenger stations. The rest of the employees affected by this change will stay at FA, as they are not the licensee's responsibility. In passenger stations, we will handle commercial matters: selling tickets for FA, maintaining the track without charging anything, and maintaining the property in good condition. Passenger transport service will remain FA's responsibility.

Commercial Goals

Our objective for the first five years is to transport 4.5 million tons. While grain forms the majority of this traffic, we are going to explore the possibility of handling liquid gas, petroleum, stone, and petrochemical products.

As responsibility will be interchanged, ideally the Mitre and San Martin railway licenses should be awarded as soon as possible, so we can work out agreements with the other private operators.

Defense Ministry Creates Privatization Council

PY1211163691 Buenos Aires TELAM in Spanish 1256 GMT 9 Nov 91

[Summary] Buenos Aires, 9 Nov (TELAM)— Defense Minister Antonio Erman Gonzalez created, through a resolution, the Privatization Council which will be subordinated to the Defense Ministry Planning Secretariat. Planning Secretary engineer Jorge Pereyra de Olazabal is the president of the Privatization Council and Privatization Secretary Alejandro Francisco Maglione is the vice president. The Privatization Council, whose members will not receive any stipend for their work, will be comprised of Manuel Estrada; Dr. Carlos Santillan; engineer Rafael Eduardo Gaviola; Dr. Martin Paez

Allende; Eduardo Jorge Nava; Horacio Aldo Grosso; Jorge Loaquin Vices; and Guillermo Enrique Kraves.

Falklands Veterans Protest U.S. Presence

PY1311134491 Buenos Aires TELAM in Spanish 1103 GMT 13 Nov 91

[Text] Mar del Plata, 13 Nov (TELAM)—Malvinas veterans conducted a remembrance ceremony in Mar del Plata in honor of those who died in the 1982 conflict. They criticized the presence of the sailors of the U.S. Aircraft Carrier Kitty Hawk and burned two U.S. flags by the eternal flame in remembrance of the dead.

The ceremony, which had a very small participation, was held on 12 November at the monument to those who died during the Malvinas War. There were no incidents.

* Specialists To Evaluate Rio Turbio Plant

92SM0064A Buenos Aires CLARIN in Spanish 17 Oct 91 p 23

[Article by Ana Ale; first paragraph is introduction]

[Text] A group of technical specialists from the Mediterranean Foundation is studying the Rio Turbio coal mines. In 90 days their diagnosis will decide the final fate of a community of 16,000 people. The alternatives are: privatization, final shutdown of the mine, or some intermediate solution. Some people are saying this could be a "second Somisa" [Argentine Iron and Steel Joint Association] because of the social repercussions of a possible closure.

"Rio Turbio could become another Somisa," warn some energy officials to give an idea of the changes ahead for YCF [Government Coal Deposits]. In 90 days four technical specialists from the Mediterranean Foundation, which is advising Minister Domingo Cavallo, will determine the future of the mine—and of the 16,000 people who depend on it: closure, total privatization, or some intermediate outcome.

YCF is being besieged on several sides. Somisa's dismembering has had a domino effect on coal demand: the San Nicolas plant will no longer buy 100,000 tons a year, a fifth of Rio Turbio's total sales.

The electricity plants' needs that could help to reactivate the mine are still an illusion. The Piedra Buena power plant in Bahia Blanca is willing to burn coal instead of more expensive fuels like fuel oil or gas. But over $20 million would have to be invested to convert the plant. No such investment has been programmed and without it, coal can not be used to generate electricity.

YCF's current financial squeeze came from YPF [Government Oil Deposits]. By law, YCF sells residual coal—what is left over from the distillation process—which is delivered by YPF. The head of the petroleum company has threatened to cut off supplies because of nonpayment, as authorized by a decree.

YCF now only delivers coal to one company, Copetro [expansion not given], which blends this coal with other substances and exports it as calcined coke. Last year Copetro's foreign sales were about $17 million. 60 percent of YCF's earnings come from sales to Copetro, which has been paying a price close to the international price since mid-1989. Before that it used to buy from YCF for less than half the international price.

Outside of that contract, there are no coal sales deals for the midterm. And if YPF cuts off the residual coal supplies, YCF's losses would amount to $100 million a year.

High Quality

A recent study by Spain's Endesa [National Electric Power Company, Inc.], the only company which has shown interest in YCF, proves that Argentine coal is of high quality, better than the coal used in Spanish plants. But exporting it is not easy. The infrastructure is poor, and upgrading it would cost no less than $150 million to improve the Punta Loyola port and expand the railway corridor between Rio Turbio and Rio Gallegos.

The four Mediterranean Foundation specialists have almost completed their work: the privatization option has been under study since 1987; it was revived in 1989 and finalized under Edgardo Murguia. "There is nothing new to invent," energy department sources say. They explain that keeping the mine from closing and Rio Turbio (30 km from the Chilean border) from disappearing from the map depend on Endesa. So far the negotiations have concentrated on licensing the mine for 25 years or purchasing all the coal "at a suitable price" (assumed to be lower than the international price). The Spanish experts have identified two possibilities for placing the coal production: exporting 75 percent to their plants and guaranteeing a domestic purchaser for the rest. Who would buy coal in Argentina, and how, is still unsettled, and no answer will come from the electricity regulatory legislation that Congress is now dicussing. Nor do the international forecasts, that within 20 years coal consumption will replace petroleum as a fuel, form any part of the government's proposals.

* Limitations of Buenos Aires Port Discussed

92SM0059B Buenos Aires CLARIN in Spanish 20 Oct 91 p 20

[Research by Luis Ceriotto; first paragraph is introduction]

[Text] The port of Buenos Aires is no longer the funnel through which Argentina communicates with the world—or at least, not the only one. Changes in the types of our exports and economic developments have led to the appearance of rivals to the Buenos Aires port, rendering the old nickname of Buenos Aires—"port city"—obsolete.

With these changes, and even greater ones in store, what will its future be like?

After a mass of decrees and unresolved bills, the port of Buenos Aires is still awaiting a decision that will determine its fate. For years the port has had a bad reputation as "the world's most expensive port" or a "dirty port." In practice this meant that the world's major shipping lines diverted their traffic to more economical Brazilian and Uruguayan ports.

Through Buenos Aires pass the general cargos entering and leaving Argentina—essentially containerized traffic. These are industrial supplies and nonconventional freight, whose area of influence (hinterland) is all of Argentina.

In addition to general freight, much of the refrigerated freight is shipped through the metropolitan port. Even operating at maximum efficiency, those seem to be the only two types of operations which the port will handle in the future, in addition to some use of Buenos Aires' facilities for handling vegetable oils and bulk milled products.

"The annual traffic amounts to 220,000 containers; at maximum efficiency, it may reach 300,000," said Port Administrator Horacio Salduna. That limitation will encourage other ports to handle general cargo as well, especially in two years "if deregulation takes effect," said Roberto Herz, secretary of the Interconference Board, composed of national representatives of freight conferences.

In fact, it has been some time since the port of Buenos Aires has handled major grain shipments or bulk industrial products like steel or oils. "Seventy percent of the grain shipments do not go through Buenos Aires, but through Bahia Blanca or private ports owned by the major cooperatives (ACA [Association of Agricultural Cooperatives], FACA [Argentine Federation of Agricultural Cooperatives]) on the Santa Fe coast," explained Herz.

Something similar is happening with bulk industrial freight, which is shipped from Puerto Madryn (Aluar), Villa Constitucion (Acindar), Ramallo (SOMISA [Argentine Iron and Steel Joint Association]), or La Plata (Steel Promotion). Herz added that fuels are shipped from the South Dock basin that YPF [Government Oil Deposits] and Shell are remodeling—and even products traditionally shipped from Buenos Aires are now sent from other terminals: fruits like apples and pears from Rio Negro province are shipped from Puerto Madryn and San Antonio West; citrus and semiprocessed steel (pipes and sheet steel) from Campana; and eucalyptus logs from Quequen.

Alberto Ibarra, a former harbormaster during Raul Alfonsin's administration, provided more information: of the almost 25 million tons exported in 1990, "12 were sent from private ports on the Parana, 8.4 were shipped in National Grain Board facilities, and 3,450,000 tons were shipped directly from government docks.

Ports Without Laws

The source of the metropolitan port's problems is shared by all Argentine ports: there is no ports law (it is only halfway through congress) to order and decentralize their activities, now in the hands of a group of organizations with overlapping jurisdictions which act with little or no coordination.

A brief listing of the organizations with jurisdiction over port activity speaks for itself. Some of the organizations involved with the port, with varying degrees of decision-making power, are: the Ports Administration, the National Directorate of Port Construction and Navigable Waterways, the Naval Prefecture, the Labor Police, the Directorate of Naval Hydrography, the National Grain Board, the National Immigration Directorate, Animal Health, Plant Health, the Foreign Affairs Ministry, and Customs.

A plan to deregulate the metropolitan port divides it into six merchandise terminals, three for general cargo, two for grains and grain byproducts (one belonging to the National Grain Board), and one for dangerous or potentially polluting cargo, in addition to a passenger and tourists' terminal. A technical task force under Transportation Secretary Edmundo Soria is working on this project under the guidelines of Decree 906, which calls for privatizing terminals lacking legal authorization (see table below).

Port Statistics

Earnings	$30-$40 million a year
Present costs	$630 million a year
What costs should be	$300 million a year
Traffic	2,000 ships
Cost of one ship in the port	$20,000 a day
Present container traffic	220,000
Maximum container traffic under optimum conditions	300,000

In addition to the bureaucratic red tape entangling all Argentine ports, both state and private, Buenos Aires has serious infrastructure problems that need immediate resolution. One is in Pier Two, which may celebrate its 60th anniversary by collapsing if $10 million is not invested in repairs. If this heavy structure were to break and collapse in the river, it could block the port circulation channel.

Other problems are the lack of essential services: telephone, lighting (ships cannot operate at night because of the lack of illuminated buoys), paving and drinking water for ships. A masterplan prepared three years ago by the German consulting firm Roggemarine calculated the investment needed to bring the port up to acceptable conditions at $150 million.

All these are difficult problems, but in the end they are solvable.

One which has no solution, though, is the lack of space and the chronic shortage of areas for parking containers. Expansion of the port is unthinkable, as the city itself limits it. Ibarra felt that the atrophying conditions at the port are caused by "an inadequate railway infrastructure and a road network inadequate for a port, as it is part of the urban transit system. This is absurd for modern port technology. Large trucks coming from the port stopped at traffic lights on central city streets are a very common sight."

The difficulties in attracting investment to Buenos Aires are not only of a regulatory nature. Action on several fronts is needed at the same time to stem the hemorrhage of millions of dollars that are being lost in its operation. This would benefit all our foreign trade and would improve the real exchange rate, since exporting and importing would cost less. While decrees like 1772 act like bandaids, the Ports Law has been stalled in Congress for over six years and is still awaiting consideration in the Chamber of Deputies.

Chile

Political Prisoners Conclude Hunger Strike

PY1411015491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 13 Nov 91

[Text] During a news conference in a room at El Salvador Hospital, the four political prisoners who staged a hunger strike for 45 days reported that they have decided to lift the measure.

They said that their decision was prompted by today's medical bulletin, which states that the four hunger strikers are going through a very delicate situation of undernourishment and that the health of Miguel Colina and Ramon Casanellas is even worse.

The hunger strikers issued a communique stating that they decided to suspend the strike, but they will continue with their efforts to obtain their release. Casanellas thanked some organizations for their support:

[Begin recording] The cause for the freedom of the political prisoners is in your hands now. [words indistinct] Therefore, after 45 days of an indefinite hunger strike, we have lifted the measure. The struggle for the freedom of all political prisoners is now in the peoples' hands. The struggle continues. Santiago, 13 November, El Salvador Hospital.

We also want to convey our special thanks to the hospital personnel for the excellent treatment we received from them. [end recording]

Colina said, in turn, that they staged the hunger strike despite the fact that they knew that resorting to this measure would not mean their release because it is not legally or politically possible. He said: We wanted to demonstrate that the release of a group of political prisoners was delayed for more than a year and a half.

It should be recalled that the political prisoners began the hunger strike on 30 September in the former public prison. The first to end the hunger strike was Hugo Marzano on 31 October and then Rodrigo Morales five days ago. Juan Ordenes, Miguel Angel Colina, Guillermo Rodriguez, and Miguel Casanellas continued the hunger strike at El Salvador Hospital until today.

Aylwin Comments

PY1411025491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 13 Nov 91

[Report by Manola Robles from Curico]

[Text] President Patricio Aylwin described as very good news the political prisoners' decision to lift the 44-day hunger strike. At the end of a meeting with labor union leaders and acting Labor Minister Eduardo Loyola, Aylwin was asked his opinion about the end of the hunger strike.

[Begin recording] [Aylwin] I was just informed of it.

[Unidentified reporter] What do you think about it?

[Aylwin] I think this is very good news and I am very pleased about it. [end recording]

Aylwin was also asked about the matter he analyzed with Gendarmerie Director Isidro Solis, with whom he met in Linares City. Aylwin said that he met informally with Solis, who was visiting prisons, and that they took advantage of the opportunity to discuss several problems. Asked about his opinion of Chamber of Deputies President Antonio Viera Gallo's proposal to approve an amnesty bill, Aylwin said:

[Begin recording] I hope we will solve the problem in the appropriate manner, but I am ready to consider any formula that could lead to a final solution. [end recording]

Concerning the results of his tour of the 7th region, he said that it was fruitful because he had an opportunity to listen to the people's problems. He also expressed his thanks for the people's warm welcome.

Terrorist Group Damages Telecommunications Tower

PY1311140291 Santiago LA TERCERA DE LA HORA in Spanish 7 Nov 91 p C11

[Excerpts] Temuco—A telecommunications tower owned by the National Telecommunications Enterprise, Entel, was seriously damaged by one of four bombs that were planted on the night of 5 November. The tower is on Mariposas Hill, in the northern part of this city.

The self-styled Free Fatherland Youth Guerrilla Army claimed responsibility for the attack through a telephone call to a radio station. The Janequeo combat unit of the group evaded the alarm systems and attached four explosive devices to the tower. [passage omitted]

The terrorist unit placed four 2.5 kg charges of high explosives, but only one detonated, destroying the tower's reinforced steel frame. [passage omitted]

'Pillan' Training Planes Sold Internationally

PY1311170091 Santiago LA TERCERA DE LA HORA in Spanish 7 Nov 91 p 6

[Report by Hernan Garcia]

[Text] The National Aeronautical Enterprise (Enaer) sold so far a total of 98 "Pillan" training planes to the Spanish Air Force; to the Panamanian National Air Service; and to the Chilean Air Force [FACh]. Enaer is also authorized to repair "General Electric" engines for Colombia; Dominican Republic; Ecuador; El Salvador; Guatemala; Honduras; Venezuela; and Chile.

This information is included in the complete report that "Enaer" submitted yesterday to Army Commander General Augusto Pinochet, who arrived at the El Bosque base with his top command, at the invitation of Air Force General Ramon Vega, his counterpart in the FACh. [passage omitted]

Later, accompanied by members of the FACh top command, Pinochet visited the assembly plant for the T-35 "Pillan" and the A-36 "Halcon" planes, and also the plant where the Mirage "Panther" and the F-5 "Tiger" fighter planes are refitted. New equipment was incorporated into these latter planes, and their equipment and structure were modified to significantly increase their operation capabilities. He also observed the construction of the "Nancu" sports plane.

Regarding maintenance, it was also reported that "Enaer" has a "test bench" for engines and missiles. It is considered the most modern in South America and its services are available to the national and international markets. A special division was also set up to manufacture sophisticated electronic warfare systems, such as the "Caiquen" and "Itata" radar detectors, all of which are used in FACh airplanes. [passage omitted]

Ecuador

'Fair Solution' to Border Conflict Sought

PA1311125391 Quito Voz de los Andes in Spanish 2300 GMT 11 Nov 91

[Text] Foreign Minister Diego Cordovez said that once the government and National Congress decide the steps that must be taken, he will evaluate the options available to Ecuador. With Peru he will ask the Vatican to act as arbiter in the border conflict between both countries.

The foreign minister reiterated that Ecuador aspires to a definitive, lasting, and fair solution of the border conflict with Peru.

[Begin recording] [Cordovez] What we attempted to do through these missions—and I must note in this regard that the mission that traveled to the United States will return tonight and I have already been informed that the two commissioners, Dr. Ricardo Crespo, ambassador to Washington during the terms of former Presidents Jaime Roldos and Oswaldo Hurtado; and Dr. Jose Maria Perez—met with the assistant secretary for Latin American Affairs and with other ranking U.S. officials. We also tried basically to apprise the Latin American countries of Ecuador's position which, as you all know, is not only friendly but very broad.

What we were attempting do to, basically, was to take to those countries a message from Ecuador to the effect that we hope that President Borja's initiative will lead to a definitive solution of this problem, a solution that will prove to be lasting, in keeping with international law, and fair.

[Unidentified reporter] [Question indistinct]

[Cordovez] The president informed me that he unfortunately cannot attend the meetings on the scheduled dates because he called an extraordinary congressional session. He has asked me to inform the U.S. authorities that he must postpone his trip. This is why we are asking our two special ambassadors to travel to all of the countries to inform them of this situation.

As I said a few days ago, we have already established high-level contacts with the United States. A U.S. State Department assistant secretary was sent to Lima and Quito to talk with the two foreign ministers.

[Reporter] [Question indistinct]

[Cordovez] At this time we are going to evaluate the results of those missions and, based on this evaluation, we will decide the next step. Deep down, however, I believe the next step must be taken by Peru because President Borja's invitation—and this must be made very clear—was directed to the Peruvian Government, so that we can ask the pope to settle the issue.

[Reporter] [Question indistinct]

[Cordovez] I have submitted a text, which I believe the Peruvian Government (?should study carefully). As you know, there has been a change of government in Peru, so I expect that it will take a while for them to study the document. However, it is not a nonaggression pact; that is media terminology which, regrettably, was used and led to unnecessary reactions.

[Reporter] [Question indistinct]

[Cordovez] I do not disclose the subject matter of my conversations with others.

[Reporter] [Question indistinct]

[Cordovez] Our position is very clear. It is a matter of establishing the steps that must be taken so that the [words indistinct] initiative will gain ground.

[Reporter] [Question indistinct]

[Cordovez] That is what I say.

[Reporter] [Question indistinct]

[Cordovez] Pardon me?

[Reporter] [Question indistinct]

[Cordovez] It is not a matter of our getting anything out of it as long other countries agree with it. What matters is that our commissioners' visits and all of the calls I made were well understood. President Borja's intentions were understood and the spirit that led him to create the initiative was well understood. What matters is other countries' understanding.

[Reporter] [Question indistinct]

[Cordovez] No, no, that has not been discussed. Thank you very much. [end recording]

Peru

Roundup of Rebel Activities Reported 3-9 Nov

PA1011162691

[Editorial Report] The following is a compilation of reports on rebel activities in Peru monitored by Panama Bureau between 3 and 9 November.

Madrid EFE in Spanish at 2206 GMT on 3 November carries a 170-word report reading that at least 14 people, including 12 civilians and two soldiers, were wounded on the night of 2 November when a grenade exploded during a confusing incident in an Ayacucho street. Witnesses point to police negligence in the handling of explosives. Meanwhile, police authorities reported that early on the morning of 3 November Shining Path members blew up three electricity poles, leaving Ayacucho without power.

Lima Global de Television Network in Spanish at 0100 GMT on 7 November broadcasts a one-minute report on various Shining Path activities. Terrorists killed six persons traveling in a bus near Alcacocha Lake on 29 October. On 3 November rebels attacked Unas and killed two peasants. On 4 November they blew up two utility towers in Huancayo Province. Approximately 80 Shining Path members entered Monobamba, Jauja Province, killing an official and five residents on 4 November. The terrorists also kidnapped 20 youths, including both men and women.

Lima Global de Television Network in Spanish at 0100 GMT on 8 November broadcasts a one-minute report saying that more than 200 members of the Tupac Amaru Revolutionary Movement attacked the Mariscal de Caceres military camp in Tarapoto on 7 November. The guerrillas used long-range weapons and fled when the Army countered the attack. No casualties were reported.

Madrid EFE in Spanish at 0102 GMT on 9 November carries a 300-word report citing an Armed Forces communique dated 9 November announcing that two civilians and two guerrillas died when Shining Path rebels attacked Antacolpa on 3 November. The communique adds that Shining Path members kidnapped a lawyer in Moyobamba and occupied a school in Yauyos, Junin Department, on 4 November. The report continues that Ayacucho police reported that alleged members of the Shining Path's "death squad" shot and seriously wounded Ayacucho Education Director Gilberto Ore on 8 November.

Statistics Institute Announces GDP Figures

PY1211135691 Lima EXPRESO in Spanish 2 Nov 91 p A2

[Summary] Felix Murillo Alfaro, president of the National Institute of Statistics and Informatics, reported that the Gross Domestic Produce, GDP, dropped by 0.1 percent during the January-September period this year compared to last year. He said that the 1991 production levels are lower than those of 1979. Between January and September 1991 commerce recovered by 0.8 percent; agriculture by 1.7 percent; and electricity by 10.6 percent. Mining, however, registered a growth of minus 2.4 percent; manufacturing industries by minus 3.0 percent; construction by minus 5.1 percent; and fishing by minus 16.3 percent.

Correction: Fujimori Appoints Cabinet Members

WA1411104191

The following correction pertains to the item published under the headline "President Fujimori Appoints Cabinet Members," in the 7 November Latin America DAILY REPORT pages 29-30:

Page 30, column one, only table, line one, make name read... Alonso de los Heros Perez-Albela... (inserting hyphen)

Same page, same table, line 7, make name read...Augusto Antonioli Vasquez... (correcting name spelling)

Same page, same table, line 14, make name read...Jaime Agustin Sobero... (correcting name spelling)

Uruguay

Government Concerned Over Situation in Croatia

PY1411115091 Montevideo Radio El Espectador Network in Spanish 0900 GMT 14 Nov 91

[Text] The Uruguayan Foreign Ministry issued a statement expressing the government's deep concern over the permanent worsening of the Croatian situation—the repeated violations of cease-fires; and the terrible human tragedy of the Croatian nation. The international community must not remain impassive. The unproductivity of the measures adopted so far forces the world to face

the current situation with a renewed willingness to seek appropriate solutions based on the people's right to prevent war. War only unleashes bloody consequences on the civilian populations. There is a need to act expeditiously, peacefully, with respect for international law to help solve this problem.

Venezuela

World Bank Pledges $500 Million for Development

PA1111191091 Caracas Venezolana de Television Network in Spanish 1550 GMT 8 Nov 91

[Report by Jenny Silva]

[Text] Moeen Qureshi, senior vice president of the World Bank, described the program for the economic reorganization of Venezuela as a complete success. He announced that the World Bank will lend $500 million yearly to Venezuela for the development of programs for the country's dispossessed.

During breakfast with several journalists on 8 November, he commented on how impressed he was with Venezuela's great progress in its economic reforms, which exceeded all expectations. The economy has been liberalized to a much greater extent than was anticipated by the government's original program. The World Bank authorities will therefore assist Venezuela with a large percentage of the financial resources normally appropriated for Latin America every year. This amounts to $6 billion yearly, of which $500 million will be invested in Venezuela.

According to Qureshi, the World Bank's support is based on the country's ability to show that its economic liberalization is complete. This is evidenced by the radical changes in the financial system, privatization, and opportunities for private economic activities in nontraditional areas. Particular changes have occurred in commercial areas, where the advances have been greater than those called for in the program presented to the World Bank board of directors more than two years ago. According to Qureshi, the results speak for themselves. Last year's 5 percent economic growth increased by between two and four points this year and will rise to between 6 and 8 percent by late this year. Inflation rates, according to the World Bank, will be less than 30 percent at the close of 1991, also highlighting Venezuela's changes.

All of these factors serve as a basis for steady economic growth in the local economy. According to Qureshi, the effects of this growth will start to be felt by early 1992, when the Venezuelan people's sacrifice will be rewarded with a higher standard of living. However, the low standard of living of Venezuela's dispossessed is still cause for concern. For this reason, financial assistance will be increased for the expansion of the PAMI [Comprehensive Medical Assistance Plan] and educational, medical, and hospitalization programs. In view of the rapid development of the economic changes program, the World Bank will also consider a new type of assistance for Venezuela. This assistance will be directed toward agriculture, environmental protection, and the creation of an infrastructure.

In addition to the aid for the application of social programs, the World Bank will establish a new type of financial assistance to encourage greater participation of the national private sector in nontraditional areas. One interesting aspect is that the World Bank's concept of Venezuela is far different from the pessimistic climate prevailing in the country. For the World Bank, which closely observed the country's situation, Venezuela has a brilliant future, which the population will begin to enjoy in about two years. The government, however, should not neglect social programs. On the contrary, it should increase its efforts to give the dispossessed population a higher standard of living. This can only be accomplished if the government continues with the social programs that, according to the World Bank, were designed to meet Venezuela's needs.

At this time, Venezuela, Mexico, and Costa Rica have progressed the most in their economic recovery. Brazil is in the worst situation. For the time being, the World Bank cannot see any way out for Brazil.

* Budget Expenses Revised Due to Bolivar Drop

92SM0073B Caracas EL DIARIO DE CARACAS in Spanish 17 Oct 91 p 17

[Article by Ross Mary Gonzatti]

[Text] The Finance Ministry is currently studying the suggestions it will present to Congress with regard to the distribution of spending in the draft budget for 1992. The budget is being recalculated on the heels of the devaluation of the bolivar from 56 to 63 to the dollar.

Nevertheless, because the budget structure is so rigid, it is expected that "the government will not satisfy the requests of the public agencies," according to a government source.

The change in the exchange rate increased the budget by 72.315 billion bolivares, bringing the draft budget to a total of 870.484 billion bolivares. But of that additional 72 billion, 37.356 billion corresponds to legal and contractual obligations: the "situado constitucional" [government contribution of funds to decentralized agencies], the Housing Policy Law, the 5-percent contribution to the Venezuelan Investment Fund (FIV), Social Security (IVSS), the National Institute of Cooperative Education (INCE), and others. Moreover, the new exchange rate will increase external expenses, primarily the debt service that must be recalculated, by 19.299 billion bolivares. This, along with the fact that income from privatization was cut from 44 billion to 10 billion in the draft budget, at the suggestion of Congress itself, means that only 15.6 billion bolivares is left in the budget estimates for 1992 as net resources stemming from the devaluation of the bolivar.

Although the additional requests from the ministries have not been added up yet, some say they will amount to about 200 billion bolivares. Those claiming the greatest needs are Education, Health, and Interior Relations (for security and defense). And the government, for its part, is carefully studying the requests, giving priority—as much as it can—to the areas it considers to have the greatest potential for conflict: labor commitments, social programs, and security and defense. In any event, it is recognized that "the ministries are receiving much less to function with, although nominally the budget is greater."

The problem lies in the fact that revenues are not rising at the same rate as needs. Internal revenues from the income tax are expected to decline slightly as a consequence of the amendment of the law, although the government believes this decrease will be offset by less tax evasion.

As far as oil revenues are concerned, although they will increase because of the exchange rate adjustment, there will be no increases due to higher prices or production. In fact, this year the government is receiving 58 centavos for every bolivar in oil revenues, compared to 61 centavos in 1990. This is due to rising costs in the oil industry, not only for production, but also for salaries. The payroll climbed from 26 billion bolivares in 1990 to 47 billion bolivares this year.

[Box, p 17]

Debt: Part Will Not Be Paid

Between 20 and 25 billion bolivares owed on the public external and internal debts cannot be paid this year and will have to be deferred to 1992, it was learned from official sources.

This gap, which will be left over for next year's budget to fill, is even considered optimistic; it was calculated on the assumption that some promissory notes or "regular management contracts" (the famous military promissory notes) and a debt in German marks corresponding to bonds, will be refinanced. Moreover, the 20 to 25 billion does not include the debt the republic owes to the Central Bank of Venezuela, estimated at some 13 billion bolivares. It was announced previously that this debt would be refinanced; in other words, its payment will also be held in abeyance.

This "scam" with the debt was not, however, considered serious by our sources, who pointed out that two or three years ago debt payments amounting to about 23 billion bolivares were also postponed.

As is now known, Congress is considering a request for additional credit of 14 billion bolivares to cover part of the shortfall on the debt. The funds backing up this request correspond to the privatization of mobile cellular telephones. Soon the government will have to ask for new credit against oil revenues, for which purpose a revision will be made with PDVSA. Even so, part of the debt will remain uncovered.

Main Spending Categories in 1992 Draft Budget
(billions of bolivares)

Item	Initial Draft	Change at 63 Bolivars to the Dollar	Difference
I. Legal and Contractual	523.058	581.963	58.905
Debt Services	195.527	212.481	16.954
"Situado Constitucional"	120.668	138.396	17.728
Housing Policy Law	23.310	27.242	3.932
Social Benefit Fund	6.704	7.689	0.985
FIV	25.711	29.016	3.305
IVSS	5.033	5.033	—
INCE	0.050	0.050	—
Program Laws	70.144	73.861	3.717
Farm Road, Road Maintenance, and Mass Transport Fund	12.500	22.921	10.421
Forced Unemployment Insurance	0.050	0.050	—
Pensions and Retirements	8.554	8.554	—
Collective Bargaining	38.271	38.271	—
Projects Underway	10.710	10.710	—
Corrections to Budget	5.826	7.689	1.863
II. Subsidy Programs	82.955	82.955	—
III. Committed Spending (I + II)	606.013	664.918	58.905
IV. Other Spending	192.156	205.566	13.410
Total Budget	798.169	870.484	72.315

Telephone Company Concession Contract Modified

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[Text] Among the modifications made to the CANTV [National Telephone Company of Venezuela] concession contract, Clause 23 establishes that the Venezuelan Government reserves the right to intervene in the event telephone service is ever put at risk.

At a joint news conference held by the Investment Fund and Transport and Communications ministers and the CANTV president, they discussed modification clauses to the concession contract. These clauses will also be discussed by the national Congress on 11 November. The idea is to rationalize the original privatization objectives and to promote an open and competitive service.

For example, at no time should the economic balance clause be construed as an income guarantee for international investment companies. These companies in turn cannot abandon their responsibility to the country in case the business fails to turn a profit. On the contrary, the contract specifies that the concessionaires would have to indemnify the nation.

Another basic change sought in these modifications is Clause 53, which determines that the same tariffs, quality, and opportunities will be provided. All of those who seek the service will receive it because one of the ideas is to do away with the CANTV monopoly and democratize the service.

The media will be able to gain direct access to satellite services and be allowed to use their own signal carrier systems.

[Begin recording] [CANTV President Fernando Martinez M.] We believe that these changes serve to better safeguard the country's interests.

[Reporter] Where does the international concessionaires' responsibility toward the Venezuelan Government start and end?

[Martinez] This contract in no way guarantees the concessionaires' profit. We want to guarantee service regularity and continuity. [end recording]

* PDVSA Falls Short of Drilling Goals

92SM0073A Caracas EL DIARIO DE CARACAS in Spanish 14 Oct 91 p 25

[Article by Jose Suarez Nunez]

[Text] In the first semester of this year, Venezuelan Petroleum, Inc. (PDVSA) surpassed last year's production, refining, export, and cash flow figures, but during that same period it fell short of the goals it had set for the 1991 fiscal year on the domestic market.

Gross revenues from the operations of its foreign subsidiaries reached 241 billion bolivares. Subtracting the 232.5 billion bolivares in costs and expenses, this yields operational earnings of 8.5 billion bolivares ($170 million).

From this figure we must subtract 2.6 billion bolivares in loan interest and 2.3 billion in taxes, leaving a net income of 3.6 billion bolivares. At the exchange rate of 50 bolivares to the dollar, this yields a dollar figure of $72 million.

Citgo saw its sales of gasoline, diesel, and fuel oil 2 rise by 19 percent, and it now has more than 10,000 service stations; but in relation to its income the figure is 1.5 percent.

The oil industry approves the budget for the entire fiscal year, but given the nature of business with one weak quarter and one strong one in each semester, no one ever expects to achieve precisely 50 percent of the projected targets in a given six-month period.

Estimates of between 45- and 55-percent execution seem reasonable, and this suggests stable activity.

The results seen in the first semester of the year mean that the oil industry must speed up its projects and programs, because most of its functions running at less than 40 percent target rate. Some managers indicated to this reporter that they will achieve their goals in the fourth quarter.

PDVSA estimated its consolidated revenues for 1991 at 794 billion bolivares, and it took in 384 billion bolivares the first semester of the year. This is a balanced figure that amounts to 48 percent of the goals.

The home office estimated that consolidated domestic earnings would amount to 164 billion bolivares in 1991, and it officially announced earnings of 54.3 billion bolivares for the first semester of the year. This is a significant decline, representing 34 percent of the target. Earnings will have to amount to 66 percent during the second semester to reach a point of equilibrium.

Earnings exceeded those of 1990, but the proposed goals for 1991 were not achieved in the first semester.

Early in the year there were debates about the investment budget for the current year; in the end, the amount of 217 billion bolivares was approved. Later, the executive branch reduced the budget by 10 billion bolivares. Available figures indicate that only 77 billion bolivares was disbursed during the first quarter, representing 35 percent.

As for production, a budget of 156 billion bolivares was planned for 1991, in an effort to maintain production levels and increase the production potential, which stood at 2.8 million barrels per day at the end of last year.

A total of 39 billion bolivares was disbursed for this budget item, equivalent to a mere 25 percent, during the

first semester. It should be noted that this is the oil industry's principal function, and if it is not given proper attention, the reduction in production potential will be irreversible.

It is likely that this limited investment in the production function is due to the fact that there are insufficient technical human resources to achieve the execution capacity needed to absorb the large amounts of money budgeted for 1991, said sources in the private petroleum sector. Seen from this perspective, it is inexplicable that so many presentations should be made to eliminate the tax on exports, when the money was not used.

A major portion of the disbursements for operational costs and expenses in the petroleum sector, set at 182 billion bolivares, was left unspent in the first semester; only 69 billion bolivares, or 38 percent, was actually disbursed during that part of the fiscal year.

Barring technical explanations, the great degree of discretion in holding back production funds had immediate repercussions on the scheduling of drilling in 1991. The working plan had set a target of 870 development wells during the year, but in the first semester only 290 wells were drilled, equivalent to 33 percent.

The home office had scheduled the repair and reconditioning of 1,570 wells during the year, but only 580 wells (37 percent) actually underwent such procedures.

Cash flow had been estimated by PDVSA to reach 13 billion bolivares as of 30 June 1991, but in fact it amounted to 23 billion. This surplus of cash could be attributed to the fact that investment projects were not carried out.

Other functions progressed as expected during the first semester of the year. Processing had been estimated at 1.43 million barrels per day for 1991, and the average for the first semester was 1.32 million barrels per day.

The home office had expected to drill 29 exploratory wells, and by the close of the first semester 15 such wells had been drilled, confirming the projection. A total of 13,000 km of seismic lines was planned for the year, and the figures for the first semester amounted to 5,000, a reasonable portion of the total.

At the end of the assembly, Minister Celestino Armas stated that "26.5 percent of the investment budget for the petroleum sector was disbursed during the first semester. The equivalent figure for the operations budget (costs and expenses) was 38 percent during that period."

This means that PDVSA urgently needs to accelerate its disbursements so that it can achieve its targets by the end of the year; it has fallen far short of them so far in its principal functions.

Qualified experts agreed with private sector businessmen that so much money could not be spent because there would not be enough skilled labor to carry out the projects. On other occasions, the national supply of goods had not been prepared sufficiently in advance.

In addition, some business sources reported delays in payment and the elimination of the 20-percent advance paid to contractors in order to cut financial costs, making up for high interest rates.